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18 September 1985

West Europe Report

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POLITICAL

DENMARK

DENMARK ONLY NORDIC COUNTRY TO DENY AID TO NICARAGUA

Copenhagen BERLINGSKE TIDENDE in Danish 13 Jul 85 p 7

[Article by Helle Ravn Larsen: "No Danish Aid to Nicaragua"]

[Text] Denmark is the only Scandinavian country not providing aid to the little Central American country.

Denmark is the only Scandinavian country which is providing no form of aid to Nicaragua or assistance in connection with voluntary programs along the lines of the work being carried out by the International Cooperation organization.

The foregoing appears in a response from Foreign Minister Uffe Ellemann-Jensen (Liberal) to the Foreign Relations committee of Parliament. The picture is different in neighboring countries.

Norway has reduced its support somewhat. Aid to Nicaragua in the form of supplies is expected to be around 15 million Norwegian kroner this year, while approximately 20 million kroner is expected to be provided through international organizations and an additional 20 million through private organizations, but Norway is not sending personnel to Nicaragua.

In Sweden, Nicaragua is a so-called "Program Country." From 1983 to 1985, 75 million Swedish kroner have been appropriated each year. The largest portion of the money goes to projects in the areas of mining and forestry. An additional 2 million kroner is provided in the form of humanitarian aid. Sweden also provides both expert and voluntary assistance. Between 50-60 Swedes, in all, are working in the country.

Finland is not providing personnel assistance to Nicaragua, but Finland expects to provide monetary support of about 11 million Finnish marks, which is to be used for projects involving dairies, health, education and forestry.

Additional European countries also provide aid to Nicaragua, but the tendency is toward reduced assistance, for example, as concerns England and West Germany.

12578
CSO: 3613/172

POLITICAL

DENMARK

POLL SHOWS GOVERNMENT PARTIES HOLDING OWN AFTER TAX REFORM

Copenhagen BERLINGSKE TIDENDE in Danish 7 Jul 85 pp 1, 7

[Article by Helle Ravn Larsen: "Schluter Retains Majority"]

[Text] BERLINGSKE SONDAG is presenting today the first Gallup poll since the compromise on tax reform. It shows that the Radical Liberals have regained ground after months of so-so figures. If an election were held today, the Radical Liberals would win an unchanged number of mandates, both the Social Democrats and the Socialist People's Party would advance, but the government need not have sweat on its brow. It still can hold the fort jointly with the Radical Liberal Party.

The battle on the left wing for voters' favor is continuing. The Social Democratic Party is advancing, the Socialistic People's Party is still strong relative to the last election, and the Left Socialist Party has declined a little.

At the same time, the government's supporting party--the Radical Liberal Party--has regained its prior loss and would receive the same number of mandates as today if an election were held now. Prime Minister Poul Schluter (Conservative) can breathe easier and need not have sweat on his brow during the summer heat.

The government still will be able to hold the fort.

There will not be a red majority in Parliament.

This appears from an opinion poll which the analysis institute, Gallup, has undertaken for BERLINGSKE SONDAG. The views were collected during the period 15 June to 4 July. The majority of the sampling period therefore falls within the period subsequent to the time when the government, the Social Democrats and the Radical Liberals entered into a compromise for tax reform.

The Social Democrats consistently have called the reform a Social Democratic tax reform. In this Gallup poll, the Social Democrats show an advance from 56 to 57 mandates. If the tax reform compromise is offered for the voters' judgment, it is the Radical Liberals who have scored the most points. The Radical Liberals today have completely regained ground after months of decline. The party would receive an unchanged 10 mandates if an election were held now. Relative to last month's Gallup poll, the party has had an advance of two mandates.

The Socialist People's Party continues strong with 25 mandates, contrasted with the present 21, but compared with the most recent months, the trend is downward. The Left Socialist Party would loose one mandate and go from five to four.

The picture is reasonably stabile for the governing coalition parties. The Conservatives would receive 43 mandates. That is the same as today, but the trend is upward. The Liberals would go down from 22 to 21 mandates. The Christian People's party remains unchanged with five mandates. The loser would be the Central Democratic party, which would see three mandates disappear. The Central Democrats would win five mandates, contrasted with eight today.

It looks gloomy for the other qualified parties, which are not estimated to have any chance whatever of winning a seat in Parliament.

	<u>GALLUP</u>	<u>NOW</u>
Social Democratic Party	57	56
Radical Liberal Party	10	10
Conservative Party	43	43
Socialist People's Party	25	21
Central Democratic Party	5	8
Christian People's Party	5	5
Liberal Party	21	22
Left Socialist Party	4	5
Progress Party	5	4
Free Democratic Party	0	1

POLITICAL INDEX

Question: For which party would you vote if there were a parliamentary election tomorrow?

Data Collection Period: 15 Jun-4 July 1985

	10 Jan. 1984	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	Jun. 1985
Social Democratic	31.6	32.6	30.6	32.8	30.8	32.1
Radical Liberal	5.5	4.2	4.8	3.4	4.3	5.7
Conservative	23.4	25.4	25.0	24.2	24.0	24.3
Justice	1.5	-	-	-	-	-
Socialistic People's	11.5	11.6	14.8	14.4	15.9	14.2
The Greens	-	-	-	-	-	-
International Socialistic Workers	0.1	-	-	-	-	-
Communist	0.7	-	-	-	-	-
Marxist-Leninist	0.0	-	-	-	-	-
Central Democratic	4.6	3.7	4.2	4.3	3.6	2.9
Christian People's	2.7	2.1	2.3	-	2.2	2.5
Liberal	12.1	12.0	11.2	11.5	11.5	11.9
Left Socialist	2.7	2.4	-	-	2.2	2.1
Progress	3.6	3.4	3.3	2.4	3.1	2.8
Other (Parties with less than 2% voters)	-	2.6	3.8	7.0	2.4	1.5
Total	100.0	100.0	100.0	100.0	100.0	100.0

Key:

- | | |
|--------------------------------------|--|
| 1. Social Democratic | 9. Marxist-Leninist |
| 2. Radical Liberal | 10. Central Democratic |
| 3. Conservative | 11. Christian People's |
| 4. Justice | 12. Liberal |
| 5. Socialistic People's | 13. Left Socialist |
| 6. The Greens | 14. Progress |
| 7. International Socialistic Workers | 15. Other (Parties with less than
2% of voters) |
| 8. Communist | 16. Total |

12578

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POLITICAL

FINLAND

COMMUNIST PAPERS VIEW MOVES TO JOIN EUREKA PROJECT

Moderate CP Organ Cautions

Helsinki KANSAN UUTiset in Finnish 19 Jul 85 p 2

[Editorial: "Eureka Opening and Consequences"]

[Text] Representatives from the governments of West European countries announced in Paris their unanimous view that the countries' forces be combined to create teamwork in high technology. It is still unclear what this means in practice, because no agreement has yet been reached on a model of cooperation and a plan of action.

Two factors above all were the basis for the Eureka project: the notion of Western Europe's largest countries that they have fallen behind the United States and Japan in this field, and also the desire to find--in the technological sense--a counterbalance to the U.S. Star Wars program.

The desire to increase Western Europe's economic power in the fierce competition now prevalent in the world must be considered a natural thing. One can be amazed, in fact, that this wish has not previously and more explicitly dictated the task of the governments in West European states.

High technology is the key word at the present moment. In various parts of the world, enormous sums are spent on its development. Since economic growth is still regarded as a central gauge of social progress, no country believes it can lag behind in the advancement occurring in this field.

In an astonishing way, however, consideration of the social consequences of focusing on high technology is ignored in the ongoing debate. Above all else, the duty of the West European labor movement is to examine, from this standpoint as well, the teamwork project which has now been launched. The consequences for broad masses of people are certainly quite different than for large-scale enterprises on our continent. The experience of recent years in West European countries, among others, shows that the number of workers dismissed from jobs and from productive activity in general swells as high technology is put into practice. The labor movement cannot cheer if the continent's big monopolies grow and at the same time the number of unemployed workers on the continent increases by millions.

There is reason to give this standpoint serious consideration today when everyone is rejoicing over Finland's involvement in one of the new forms of cooperation among the West European capitalist countries. The stipulation--made in Paris by the representative of the Finnish government--that Finland will not participate in military technology projects is natural. Everyone also knows that conforming to it is by no means simple in practice.

Would Benefit Arms Industry

Helsinki TIEDONANTAJA in Finnish 19 Jul 85 p 8

[Unsigned commentary: "Eureka Plan"]

[Text] Before the trip of Foreign Trade Minister Jermu Laine (Social Democratic Party) to Paris, spokesmen at Finland's Foreign Affairs Ministry were vying with each other to prove that on no account does the Eureka plan, which provides a framework for high-tech cooperation among West European countries, contain anything which has to do with the needs of the arms industry.

The Foreign Affairs Ministry confirmed that for this very reason Finland can generally participate in the Eureka project. Otherwise we could not take part, said the spokesmen, who affirmed that at stake was a nonmilitary alternative to the U.S. research project Star Wars.

The statements of the spokesmen at the Foreign Affairs Ministry changed when--the same day Minister Laine was about to leave for Paris--there came a dispatch from the news agency AFP that the war materials industry was very interested in the Eureka plan and that Europe's socialist countries were kept out of the project specifically for military reasons.

Under no circumstances will Finland participate in Eureka's war materials schemes, confirmed Minister Laine, although it is important to take part in the plan itself.

Everyone knows, of course, that the war materials industry needs high technology. So the war materials industry will surely be given preference in the exploitation of Eureka's products.

CP Chairman Suggests CEMA Participation

Helsinki KANSAN UUTiset in Finnish 29 Jul 85 p 1

[Article: "Vainionpaa Made Proposal: Could Eureka Also Be Expanded to CEMA Countries?"]

[Text] Finland ought to make clear whether Eureka, the project for European high technology, could also be expanded to the socialist countries.

There should be no obstacle to this, according to Finnish Communist Party First Secretary Esko Vainionpaa, now that it has been officially disclosed that no attempts will be made to improve the arms industry through the project.

Before joining the project, it would be worthwhile for Finland to carefully investigate its nature, goals and work procedure, in Vainionpaa's opinion.

Speaking on Sunday at a banquet of the newspaper KANSAN TAHTO in Kajaani, Vainionpaa stressed that "certain aspects" of the project "still require examination. In any case, the alternatives to participation must be precisely defined before the final decisions."

Vainionpaa feared all the same that attempts would be made to integrate Eureka's products into the U.S. Star Wars venture. "This as well as all parts which support arms preparation and military application must absolutely be eliminated from Eureka."

In Vainionpaa's judgment, Finland cannot under any conditions be involved in undertakings which aim at arms preparation and military application.

Adventure Does Not Pay

The Finnish state must pay close attention to the activity of the enterprises involved, in the view of the CP first secretary, because Finland cannot afford to participate in projects contrary to our foreign policy's fundamental line.

In Vainionpaa's estimation, expanding the project to socialist countries now outside the plan would be in keeping with Finnish foreign policy's best traditions on behalf of detente and international cooperation.

Things are turned upside down, according to Vainionpaa, when it is claimed that the YYA [Friendship, Cooperation and Mutual assistance] Agreement limits the opportunities for the undertaking to grow. "The most important meaning--for our country's economy--of Finnish foreign policy based on the YYA Agreement is that Finland has been able to pursue broad economic cooperation with the Soviet Union."

According to Vainionpaa, cooperation with the Soviet Union has assured Finland economic growth more stable than that of other West European countries, improved the conditions for operation of the national economy, and reduced unemployment. "It has also been advantageous to Finnish enterprises," Vainionpaa pointed out.

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CS0: 3617/154

POLITICAL

FINLAND

HELSINKI PAPER COMMENTS ON MOSCOW YOUTH FESTIVAL

PM201453 Helsinki HUFVUDSTADSBLADET in Swedish 6 Aug 85 p 2

[Editorial by Bjorn Mansson: "Festival on the Hosts' Terms"]

[Text] The 12th world youth festival in Moscow is being described by its arrangers and Soviet hosts as a major success. It is undeniable that it is possible to point to much to justify this assessment.

Success can be measured in purely quantitative terms, for example; and then it is clear that a week-long event gathering thousands of guests from practically every country in the world is a success in itself. In Moscow everything was on the grand scale--indeed, the gigantic scale. At the 27 July opening ceremony in the Lenin Stadium 15,000 performers entertained the 100,000 audience. Just as impressive were the dimensions of the final ceremony at the same venue last Saturday.

The entire week between these two mammoth events was filled with hundreds of concerts, seminars, and meetings of various types. Despite the fact that Moscow has over 10 million inhabitants the festival succeeded in setting its stamp on the whole appearance of the city.

For the thousands of "ordinary" festival participants who "only" followed the impressive cultural program, the experience must have been wholly positive. Many noncommunist participants from Western and neutral countries who took part in the festival program's more politically colored sections have, however, more reservations.

However, it should be said from the very beginning that it was of course a naive illusion if these festival participants thought that the festival's political aspect would be arranged on the terms of someone other than the hosts. Even though the political base of many of the national delegations has been broadened since the first festivals after the war, the festivals are and will remain east-dominated and controlled.

This does not of course prevent participants who have different political views from enjoying the cultural fare on offer, making personal ties of friendship--or becoming richer by virtue of a number of useful political experiences. According to a FINSKA NOTOSBYRA dispatch from Moscow and published in Sunday's HUFVUDSTADSBLADET, the Nordic festival delegations have consequently expressed their satisfaction with the past week--"despite some minor problems."

The phrase "minor problems" could perhaps be taken to be pretty polite toward the hosts, who must have done their best to see that the arrangements for the festival itself should succeed. However, in actual fact political differences and the hosts' manipulations disturbed the festival even at the opening ceremony. It is possible to determine which reports of friction are accurate and reliable, but if you believe the Nordic news agencies' correspondent the list is fairly long.

It began with the hosts--contrary to promises made--allowing Young Communists from West Berlin to appear in the opening ceremony as an independent delegation under the city's flag. The West German delegation's protest were supported by several noncommunist youth organizations, and things were scarcely improved when the hosts first blamed a "technical error." When the West Germans threatened to leave the festival, rumor has it that their hosts informed them that their chartered aircraft was hardly likely to be given permission to come and collect them...

Some Western delegations saw how pamphlet material they had brought with them was confiscated on their arrival and the Norwegian delegation witnessed an attempt by the organizers to censor an Afghanistan exhibition at the Norwegian festival club. On the whole criticism of the Soviet intervention in Afghanistan was taboo, while, for example, U.S. policy in Central America was of course a permissible target for the toughest condemnations.

What was in principle perhaps the most serious incident affected the Swedish delegation's contribution on Afghanistan to a seminar. The speech was censored by the Russian interpreter and was finally broken off completely. The hosts' hints of "Technical problems" appears, as the Swedish delegation noted in its written protest, surprising "since the difficulties occurred systematically when criticism was directed at the Soviet Union." Eventually, however, the hosts delivered an apology for the obvious manipulation.

A problem throughout the festival was that Soviet guards prevented ordinary Soviet young people from visiting the Western nations' festival clubs. In various ways the international guests were isolated from the host country's young people and action was taken against all nonsupervised contacts. It seems as if the many militiamen who kept watch over the Western delegates were not primarily intended to protect them, but to "protect" Soviet young people against too close contact with the guests.

Such protective measures were adopted despite the fact that well before the festival Moscow had been closed to nonresident Soviet citizens and "purged" of currency speculators, black marketeers, prostitutes, and other "hooligans"--among them probably one or two genuine dissidents.

Even these examples of "technical" and other problems show that the organizers were not prepared to allow the dialogue between young people from different countries and representing different political viewpoints to flow entirely freely. On the other hand there are reports of exceptions to these restrictions--debates on the developing nations and environmental problems, for example, were allowed to continue fairly undisturbed. And on Red Square itself

spontaneous discussion groups sprang up at the beginning of the festival week--until the square was cordoned off.

We are not saying that we should question the host nation's right to apply its social system as it generally does. But if you accept the task of hosting a festival which claims to gather young people on a broad political base, you cannot then suppose that they will change their political views to fit in with the hosts' intentions. You do not win credibility by promoting peace and friendship but preventing contact and dialogue.

As the reports from Moscow about the political rows poured in during last week's festival they gave an unintentional reminder of the recent poll which showed that the view taken of the Soviet Union by Finnish young people is so negative. The incidents during the festival are hardly likely to have improved the picture.

The Finnish festival delegation--the biggest from the West--refused, it appears, to be disturbed by the political complications. For their part the problems were mainly limited to two (and, it appears, scarcely motivated) rejections of visa applications.

It is understandable that the Finns remained neutral in the political rows between the arrangers and Western delegates. However, official attempts are now being made ideally to smooth things over in a way which is also perhaps unlikely to strengthen credibility with broader groups of young people.

Might not the festival organizers in the socialist countries have something to learn for next time? It is being rumored that the next festival will be held in North Korea, which unfortunately does not bode well for free dialogue. But no one should be judged in advance.

CSO: 3650/329

POLITICAL

FRANCE

PCF VIEWS ON FRENCH ROLE IN EEC, SDI, INTERNATIONAL ARENA

Paris CAHIERS DU COMMUNISME in French Jul-Aug 85 pp 72-87

[Article by Maxime Gremetz, member of the Political Bureau and secretary of the Central Committee of the PCF: "France's Role in the World"]

[Text] After having encouraged high hopes, France's international policy is causing questions and disillusionment. The French Communist Party is trying to gather together all those who, in our country, want to see France play an active role in furthering peace and disarmament, a new international economic order and human rights.

At our 25th Congress we said that France has many strong points for playing a positive role at the international level to further the important objectives of human rights, peace, justice, democracy and cooperation.

Such an action, based on the sovereignty and independence of the country, ensured primarily by an effective national defense, is of course not divorced from domestic policy considerations.

The current policies which are embedding the country in the crisis have not created the best conditions for the proper use of our strong points at the international level.

France in the World

Economically, France has not escaped from the comparative decline of the industrialized capitalist countries in world production the past 20 years and France has specific weaknesses. The decline is a comparative one because the United States, Japan, the FRG, Great Britain and France continue to dominate the world economy with 49 percent of world income, 40 percent of international trade and three-quarters of banking activity. Among these countries France is fourth in terms of gross domestic product and its share in current world trade and third for banking activity. It is therefore to be counted on the international level.

The worsening of the crisis in our country because of the policy followed by the Socialist government has led to a weakening of our position.

Productive investment in France, which was already small from 1976 to 1980, fell again. Unemployment increased more than in the other capitalist countries (with the exception of Great Britain, which broke the record of the 5 "greatest" with 13.2 percent of the active population).

Penetration of the domestic market was strengthened, despite the government's emphasis on "everything for export."

Our country is a debtor country in its trade with all the EEC countries (except Greece), especially with the FRG. It also has a negative trade balance with the United States, Japan, the OPEC countries and the Socialist countries. There is a surplus with the "franc area" and the other developing countries (other than OPEC), although the surplus has declined since 1983.

It would be an exaggeration however, to conclude that our country no longer has any international influence.

What is true, however, is that the policies that have been followed, instead of emphasizing our strong points, strengthening our independence and diversifying our trade, have tended to weaken our own potential by strengthening the domination of multinationals over the country. This is particularly visible as regards Europe and in relations with the United States and Japan.

The Bonn Summit and "European" Policy

The most striking change in France's foreign policy recently is undoubtedly the strengthening of the deep agreement with the objectives of the United States and the other major industrialized nations which met in Bonn at the beginning of June. However, the president's attraction for what is going on on the other side of the Atlantic is certainly not new.

We have already drawn attention to the bothersome aspects of the French attitude in this respect, particularly during the Williamsburg summit. But the new fact that emerged in particular from the Bonn summit, and which followed in the line of other actions that had preceded it, is that in this area France has taken the lead in efforts tending to set up an integrated Europe in all the areas that correspond to the economic and strategic aims of the United States.

The Strategic and Military Dimension Emphasized, Accelerated

On the economic level, expanding the European Community is contrary to the interests of our industry, our agriculture, and the workers that would be affected, ours most of all. The contradictions within the Community are great, as shown by the awkward compromise on agricultural products (grains excluded). However, the president of the republic bypasses this and advocates faster expansion.

We know what this means on the social level: increased unemployment and austerity, social disorder, etc. The policy seems so clear that even the

unions that belong to the European Confederation of Unions, which the CGT still does not belong to, recently noted serious concerns at their congress. "The European social space" promised in 1981 is still far away!

Clearly there is a desire to head more quickly toward a vast "European" market, wide open to the penetration of Japanese or American capital and in which competition among workers will cause salary costs to decline and profits to increase.

On the political level it has been said more and more clearly and openly that we must head toward a supranational political authority since the harmonization of foreign policies is well advanced, as is that of domestic policies.

But along with the political aspect the strategic and military dimension is the one that has been clarified the most these past months, and has given a coherency to Francois Mitterrand's current policy.

A whole series of facts can be cited in this vein from the revitalization of the Western Europe Union (WEU) at France's encouragement, to the development of cooperation and coproduction in the area of arms and to the removal of the last restrictions on the FRG's access to all types of heavy arms. From the creation of the FAR (Rapid Action Force), which Charles Hernu just admitted is at the service of the alliance for central Europe, to the desire to build the new European combat plane regardless of cost. Expanding to include Spain, a member of NATO, and Portugal, which has asked to join the WEU, is also an integral part of this process.

An interview with the secretary general of the WEU was particularly revealing in this context. In substance the interview said (LE MONDE 21 May 1985): We cannot yet say publicly that there should be an authority for making European military decisions, but we are very concretely headed in that direction more and more.

And it can be observed that all the methods for advancing in this direction are used in utmost secret.

Support for the American Star Wars Project

What is happening in terms of the American "star wars" project confirms this amply. The Elysee's complaisance in regard to Reagan's bellicose statements is not new. But there has certainly been a reversal on the specific question of the militarization of space.

The stance toward this option, which was rejected by Mitterrand in December 1984, has changed rapidly since. The only discussion with the United States now is on how France and Europe will participate in the American project. Although he had already indicated that in his opinion "the defense of the future will take place in space," Francois Mitterrand himself set the limits of the French-American discussion. "France," he said, "does not want to see

itself assigned a place in a system where it would not be on equal footing with the United States." The role of "subcontractor" is discussed, not the principle of participation. This was confirmed by the detail added by the president of the republic: the Strategic Defense Initiative (SDI) and the Eureka project "could be complementary in certain areas" and there was no question of "forbidding" French firms (several are competitors) from participating.

According to the report "Evenements et Perspectives " [Events and Prospects] of 13 May 1985, Mitterrand specified that "some bidders for the Eureka project will not be EEC member states but industrial firms."

The meeting with Chancellor Kohl a few weeks after the summit confirmed this. Kohl stated he was ready to participate in the two projects and the term "possible crossover", used by Mitterrand in Bonn, took shape. The same source indicated that "the French head of state and the head of the Bonn government will send a preliminary list of these crossovers to Mr. Reagan." According to Bonn, the talks that could begin between Washington, Bonn and Paris could result in triangular compromises that would reinforce, in the best way, the cohesion of the Western world. This is confirmed by the stances of several European nations, including Great Britain, which also favors participating in the two projects.

A Basic Change in Strategy

Since then Charles Hernu has set up a space staff, stating: "Dissuasion is the only credible system of defense, but the future cannot be summed up by modernizing our nuclear force. We must prepare for our presence in space because this is an essential dimension of our defense." These words confirm the strategy of dissuasion but in fact it is a dissuasion that has been expanded to Europe and to space. This is definitely a basic modification of our security and defense strategy.

This was again confirmed by J. Huntzinger on behalf of the Socialist Party when he said that "the area covered by our nuclear force should be expanded to include Europe."

To better hide this reality there has been a wide-scale camouflage operation. People have tried to interpret Mitterrand's statements by saying that he would be "against the SDI." In fact, the president of the republic has never stated that he was against the idea of the project and his minister of defense has constantly explained that, in one form or another, France is part of this process. Under these conditions, the Eureka project's aim is to better negotiate the participation of Europe. Roland Dumas stated to the National Assembly that Eureka would allow Europe "to increase its capacity to handle its own security."

International Scientific Cooperation for the Peaceful Use of Space

All of these projects--Eureka, SDI, orbiting space station--are based on the same leading edge technologies (optronics, telecommunications, data processing)

and are carried by the same vehicles (satellites, launchers, space shuttles). This is why industry is eager to participate in the two projects. The chief executive officer of Matra said bluntly, "To oppose Eureka and SDI is stupid." In his position he well knows that all the materiel derived from "star wars" has both a civilian and military use. And under these conditions it is understandable for the minister of research to find it normal for French firms, including public ones, to participate in the SDI.

The concept of the French Communists is completely different: a large area has now been opened to international scientific cooperation and for the peaceful use of space and this must be made to bear fruit. It is not true that we must "necessarily" favor military research in order to benefit with civilian applications. It is a question of political choice. There have been other cooperative projects, such as Esprit and Hermes, and others are possible for the welfare of mankind. With Eureka and the SDI we are ready to finance research having a primarily military goal, by depriving other, civilian research, such as ECNR's [European Council for Nuclear Research] of the necessary resources. This is being done for the sole profit of a few multinationals and risks refueling an insane arms race.

Speed Up the Process of Supranational Integration

The meeting in Estoril on 6 and 7 June of the ministers of foreign affairs of the Atlantic Alliance was presented as a comparative failure for the United States because the SDI was not mentioned. The NATO countries, however, already pledged their support last March in Luxembourg. George Schultz was able to say that the American program "would in no way be opposed" by the attitude of the European allies.

As at Bonn, total support for the American position at the Geneva negotiations was again given in Estoril.

The United States did not get the agreement of its allies to question the provisions of the SALT II treaty? But in fact they have already been brought into question!

A lot of effort has been expended to mask the reality of Mitterrand's gradual involvement which is part of the scenario decided upon by Reagan and the member countries of NATO.

The vague statements from the Socialist Party, which cite "worries and doubts" about SDI, result in this context from a sharing of tasks and from doubletalk. The real objective is there: the Atlantic Alliance intends to try to obtain the military supremacy that it was unable to obtain. The militarization of space is not a defensive project but an offensive one and will have as a consequence a renewed arms race. It has economic and political motives, especially that of influencing the development of the Socialist countries (which could not accept it without taking countermeasures).

Using Europe and "technology" as a cover, we are in the process of speeding up a process of supranational economic, political and military integration and of strengthening the policy of political blocs and the cold war.

The Milan summit is part of this; this is where the institutional decisions which will give these policies the force of law are to be discussed.

From this point of view the "project for a mandate for an intergovernmental conference" sent to the president of the European Assembly by Andreotti was very enlightening.

This project discusses creating a homogeneous economic space, which assumes "rapidly dismantling all the obstacles which still oppose the free circulation of individuals, merchandise, services and capital" and promoting "economic cooperation" (danger for the public sector). There was a discussion of promoting "common values of civilization" (this echoes the Bonn statement) and finally "continuing the joint foreign policy by strengthening the structures of political cooperation and by expanding security."

Everything is there. With the search for a "renovated and strengthened" institutional framework, it is a question of "gradually implementing a majority voting rule"; therefore of eliminating the veto and thereby depriving our country of its right to make its choices in an independent and sovereign manner. A Socialist Party document has been written to this effect. So it is not an exaggeration to talk about a serious risk for our country.

We must not forget the objectives of domestic policy: by following such a line the Socialist Party would like to build a consensus with the Right, as it is doing on the European level.

Refusing To Give Up Sovereignty and Independence

At the same time, these policies have not been implemented without difficulty. The camouflage operation surrounding the Bonn summit is a sign of this.

The hesitations in public statements and speeches, even the contradictions, show that French public opinion and the positions of the Communist party are making the task more difficult than Mitterrand realizes.

Similarly, on the European level even if the FRG has agreed, it is also thinking about defending its own interests. Other countries, such as Greece and Ireland, have more serious reservations. All of this explains the shillyshallying when making the decision in Milan and the choice to go ahead "quietly."

In France itself current possibilities exist to bring together the many forces which oppose giving up this sovereignty and independence and oppose France's participation in a renewed arms race.

French Communists are clearly fighting these projects of expansion and any form of economic, military or political supranationality. Although the only political force to have stated so, we do not feel that we are "isolated" from public opinion on these questions.

Peace and Disarmament

This is more generally true as regards France's attitude toward peace and disarmament.

Francois Mitterrand is obviously haunted by the specter of a so-called "neutralization" of the FRG. This is the reason for his attempts to strengthen, with Kohl's help, French-German ties.

French policy in this area was already poor (support for installation of the Pershings). With the "star wars" projects--of which Eureka is a part as, in another area, is the increase in arms sales--we note the total absence of any international initiative for peace and disarmament.

Moreover, by supporting in Bonn the American position on the Geneva negotiations and by rejecting the Soviet proposals for a moratorium, France is a leader on these questions, but in the wrong way.

If negotiations come to a standstill in Geneva, it is precisely because of the United States' refusal to discuss the militarization of space, which is contrary to the text of the agreement signed by Schultz and Gromyko, which included this question and linked it with others (strategic and medium-range missiles). This agreement, signed 8 January 1985 in Geneva, stated in particular that "the two men discussed the question and the future of further American-Soviet negotiations on nuclear and space weapons. The two parties agreed that the subject of these negotiations consists of a complex group of issues concerning nuclear and space weapons--both strategic and medium-range--with all of these questions being examined and resolved because of their interdependence. The goal of these negotiations is to conclude effective agreements designed to prevent an arms race in space and to put an end to it on earth, to limit and reduce nuclear arms and to strengthen strategic stability."

A Blow to Independent National Defense

It would be useful to review briefly what is meant by the "star wars" project.

This would be a qualitatively new step in the arms race which brings the danger of nuclear war closer. Since the space "shield" would never be completely impenetrable, the project encourages the party that does not have such a system to increase the number of nuclear arms he has to break through it; it makes the first strike, and therefore the triggering of nuclear war, more tempting for the party that implemented it, because he feels more secure. And the danger of error is increased because no human brain can react within the time frames of these technologies.

The cost of the project is considerable; "research" will take 26 billion dollars over 5 years, but no one has dared tally actual manufacturing costs. American insistence on European participation is surely not devoid of financial motives (talk is of 500 billion to 1 trillion dollars).

For France this would jeopardize the nuclear dissuasion force which would no longer have any credibility and would lead the country to abandon its independent defense by placing its defense under the American umbrella. This is the reasoning behind preparing public opinion for creating a European defense and Montand's broadcast set the tone for this.

Say No to the Militarization of Space

This bleak, but very real, picture should not mask the positive changes in public opinion on these issues, such as the success of the initiatives of the Group of One Hundred and the results of the Peace Movement's initiatives. The response to our proposal for a counter-broadcast on television, "Face to Face With Peace," gives a measure of this. We will therefore intensify our efforts to expand this activity and also to encourage it at the international level.

Instead of becoming involved in the "star wars" process, France should state its opposition to any militarization of space and its support for the success of the Geneva negotiations and for any initiative favoring detente. The country would not be alone if it acted in this manner on the international level; this opinion is shared by the Socialist countries, including China and the USSR (both nuclear powers), the Movement of Non-Aligned Nations and even several Western countries. This is not a question just between France or Europe and the United States, it concerns the future of humanity, of peace and of the security of nations.

How can we not think of the effect there would be if France took a clear position against all militarization of space and in favor of an immediate freeze in deployment of missiles in the East and in the West, in favor of a constructive dialogue between the United States and the USSR in order to reduce arms to the lowest possible level, for the security and stability of each?

Yes, France, as a nuclear power and permanent member of the Security Council of the United Nations, has special responsibilities in this area and it could be the spark for a meeting of the five major nuclear powers. But there must be the political desire to do so.

A New Order and International Relations

More generally, in the area of international relations we can note a definite dropping of the commitments made at the beginning of Mitterrand's term.

There were eloquent statements on the new international economic order, especially at Cancun, which to a large extent were taken from our own proposals.

Of course, some nice phrases are still regularly heard, for example on the very eve of the Bonn summit. But the actual facts contradict the words.

Looking For New Types of Cooperation

The altogether decisive issue of international monetary reform has not progressed an inch and the law of the dollar reigns without any real opposition in France.

Fabius' trips to South Korea and Morocco, for example, illustrate the return to a search for financially profitable markets. When financial profitability is the daily credo at the national level, this carries over to international relations.

Instead of encouraging mutually advantageous cooperation with developing countries and Socialist countries the public sector is used to develop the interests of and search for markets for the private sector. Employers have been openly pleased about this.

The Lome III Convention calls for encouraging private economic activity but financial aid to developing countries has decreased. The budget of cooperation has not escaped from austerity (-4 percent in 1985). Its content has been inversed, with loans surpassing subsidies and with the latter being conditional, i.e., linked to the purchase of goods or services in France. They are also linked to the signing of a convention with the IMF, along with what that means in terms of commitments of austerity for the workers of these countries. Public assistance for development includes assistance for the DOM-TOM [Overseas Departments and Territories], which accounts for 40 percent of the total. Actual public assistance was about 0.49 percent of the GDP in 1982 and 1983.

In international organizations and institutions France no longer takes any initiatives.

In the IMF France is often aligned with the United States, as it is in UNESCO, where for a time it demonstrated more independence.

Our country should be following an entirely different policy in terms of the new international order. In this area, too, France should play an active role by implementing new types of mutually advantageous cooperation--as was true with Algeria at the beginning of this term--with the developing countries and the Socialist countries in particular. It should be active on the international level promoting a true democratization of the international monetary system and for worldwide negotiations under the aegis of the UN.

The proposals for fighting hunger in the world that we presented through our parliamentary groups already some time ago are still perfectly valid. The issue of using 10 percent of the sums now directed towards the arms race for development instead is particularly apt.

According to the FAO, this sum (some 100 billion dollars--annual expenditures for arms will approach 1 trillion in 1985) would meet the most urgent needs. In this area urgency is the issue as shown by Fidel Castro's recent proposal which suggested wiping out the debt of the developing countries.

An Attitude Detrimental to France

We cannot talk about a new international order and "new types of cooperation" without talking about France's relations with Socialist countries. In this area France's policy has always been guided by the desire to participate in the fight against Communism and therefore to create difficulties for these countries in order to tarnish the image of socialism and make it completely unpalatable and to attack French communists. Political and economic relations have reflected this, with certain differences depending on the countries.

In a general way, Francois Mitterrand probably thought he could bother the Socialist countries a lot with this attitude. But the efforts by these countries, especially in Eastern Europe, to improve and strengthen their economic results while the capitalist western countries are being pulled deeper into the crisis, have caused this economic strategy on France's part to fail. And during this time the other capitalist countries have developed their trade more.

The position of the French government has turned against itself to the detriment of national interests. Primarily a political position, chances for mutually advantageous cooperation which would allow our trade to be rebalanced and diversified have been ruined.

With the worsening of the economic and social situation and the loss of contracts which would have brought a profit, our country is now in the position of asking for favors from the Socialist countries. This is the trend in current relations with them, as shown recently by Laurent Fabius' trip to the GDR.

Current Conflicts, Solidarity with Nations

Faced with tense situations or open conflicts, a certain number of "principles" were pronounced at the beginning of Mitterrand's term.

We know that Mitterrand's concern was always to try to encourage solutions that would not result in revolutionary changes.

The policy constantly confirmed by the president of the republic has been to discourage the struggle of nations and to contain independence movements within limits that would not fundamentally question the strategic interests of imperialism.

Starting in 1981, a few gestures were made and a lot of talk was heard to give credibility to a new policy that was more progressive toward the Third World and solidarity with nations.

Here again there has been a change in position, a weakening, even a reversal, of stances taken for some time. In some cases now there has been a more direct, more "committed" participation in efforts to encourage imperialism.

The PCF: Solidarity With People Struggling for Democracy and Independence

Let's look at a few examples:

--In South Africa, powerful policeman of imperialism in the region, a large popular movement is developing which is more clearly based on class. The French Socialist government, going back on its commitments, has refrained from giving any real support to these people. The French representative to the United Nations has the obligation of rejecting any demand, even a partial one, for sanctions toward the racist regime, and Botha was received in Paris. French trade with this country increased 20 percent for exports and 35 percent for imports during the first 10 months of 1984, whereas there was a decline at the beginning of Mitterrand's term.

In the same vein, France has put pressure on Mozambique to sign an agreement--now called into question--with South Africa and on Angola to reduce its "demands." There has been no French initiative to implement UN resolution 435 on Namibia and our country refuses to apply the sanctions set up by the international community.

We ourselves believe that the level of solidarity with the peoples of South Africa and Namibia and activity against apartheid should be increased. The memorandum that we presented to the United Nations last November on these issues contains our basic proposals. We think that France should ask the Security Council--of which it is one of the permanent members--to clearly state that it is in favor of obligatory general sanctions. France should also prohibit all French public, industrial and financial firms from conducting activity in South Africa and Namibia and should offer no guarantee or protection for such activity by private firms located there. It should also denounce the destruction of Namibia's natural resources.

As we said at the time of the international conference for the sports boycott of South Africa, the UN recommendations regarding sanctions should be firmly implemented for all sports and in all other areas.

These are issues which could mobilize the workers of our country, people of very diverse opinions, and each point scored helps the struggle of these peoples. The French government must also assume its responsibilities. Laurent Fabius was obliged to acknowledge SWAPO and to talk about implementing sanctions...in 18 months! French public opinion can enforce immediate decisions. This is much needed because France is even behind the United States, where Congress recently stated it was in favor of immediate sanctions.

--For a while Central America was the leftist calling card of the Socialist government at the international level.

Both the PS and the Socialist International hoped to be able to thereby influence the foreign and domestic policies of the Sandinista government. This hope has vanished. Nicaragua is standing firm, despite the pressures. The United States was able to decree a blockade without attracting any official

French remarks. Mitterrand, who received Ortega at the latter's request (as Mitterrand pointed out), stated he was pleased about the policies "of political pluralism and non-alignment and the mixed economy" and had decided nothing about assistance which, "since it is very limited, could be increased." It would be hard to say less.

The French Communist Party has acted to strengthen solidarity with this nation. It believes that Nicaragua's debt to France should be wiped out and that France should give it concrete aid and respond to the urgent needs of the people of Nicaragua. We support the proposal for a renewal of direct dialogue between Nicaragua and the United States. The Contadora peace plan, accepted by Nicaragua but rejected by the United States at the last minute, remains the basis for an acceptable political solution in the area.

We are also far from the French-Mexican statement on El Salvador. Duarte was received in Paris, an embassy was opened in San Salvador and a parliamentary group of French-Salvadoran friendship was created. The increased pressure surrounding Nicaragua should not cause El Salvador to be forgotten. The FDR-FMLN, recognized in 1981 by France as a "valuable negotiating partner" has stated it is in favor of continuing the negotiations interrupted by Duarte. We support these proposals.

--In the Middle East the positive positions taken by France for a while because of our influence (Lebanon, PLO) have been replaced by a political withdrawal due in particular to our country's declining credibility because it has followed the United States and due to strengthened ties with Israel.

Mitterrand visited Shimon Peres and the delivery of two nuclear power plants is planned. There were no statements mentioning the Israeli exactions in southern Lebanon nor the deportation of 1,000 Palestinians to Israel. Nothing was done to encourage Israel's retreat from southern Lebanon or to encourage an international conference for the Palestinian people's right to an independent state.

The visit to several Arab countries, especially Syria, should not give any illusions: the goal was to try to change the latter's position, since France is better situated for doing this than the United States, whose activity is challenged.

--In North Africa French support of Morocco was accentuated through military aid three times greater than that of the United States. The Saharan people are no longer supported, not even in words.

Relations with Algeria, after having undergone real progress, are now deteriorating somewhat in particular because of warmer French-Moroccan relations, as shown by the meeting in Ifrane and French support for the Libyan-Moroccan agreement, which is very threatening to Algeria.

In the Middle East the need for a general political settlement is more urgent than ever; this means that there must be a democratic, united and independent

Lebanon, and this must be based on the "immediate, total and unconditional retreat of Israel from Lebanon" in accord with UN Security Council Resolutions 425, 508 and 509.

Respect for the Palestinian people's right to an independent, sovereign state with internationally recognized borders is obviously the other indispensable aspect for settling the Middle Eastern conflict.

In this regard the proposal for an international conference under the aegis of the United Nations and with the participation of the PLO, legitimate representative of the Palestinian people, is a proposal which France should support, but Mitterrand believes it is inopportune.

We also support the Arab League resolution demanding an immediate end to strife in the Palestinian camps and the immediate withdrawal of the Amal militia.

As for the Saharan people, we reaffirm their right to independence and self-determination as outlined in the policy set by the OAU [Organization of African Unity]. One of France's principles has been to support the resolutions of the OAU; France should continue to do so, including when this organization recognizes the Democratic Saharan Arab Republic.

In general, French policy toward Africa is marked by support for the most corrupt regimes in order to preserve neo-colonial positions, not without a certain amount of competition with the United States. But these are basically two converging operations, with the sharing of tasks having the upper hand over difficulties. The basic point, it is said, is to prevent these countries from falling "into the arms of the Russians and Cuba."

In addition, pressure is being exerted to influence the policies of leftwing countries. This is true of Mozambique and Angola, Burkina-Faso, Benin and Congo. However, a different policy was "promised."

--Although France had some significant advantages in dealing with Southeast Asia, it has been pushed aside and replaced by Australia by refusing to establish good relations with Vietnam and to contribute to a political solution of the Cambodian issue.

We ourselves are in favor of a political solution guaranteeing the right of all people in the region to independence and security and creating the conditions for a withdrawal of Vietnamese troops. We support the talks between the three countries (Cambodia, Laos, Vietnam) and of ASEAN and the proposals they have made for a political settlement.

As for Afghanistan, the use of French domestic policy has overridden any other consideration.

We are in favor of a political settlement which would respect the right of the Afghan people to choose its regime and its government. This means there must be an end to any external interference and Soviet troops must be withdrawn; this was the joint PCF-PS agreement in June 1981.

The Afghanistan-Pakistan talks under the aegis of the United Nations have begun again and we believe that it would be best to encourage positive conclusions.

The position of R. Gandhi's government and Gorbachev's statements in favor of a political settlement seem to indicate that possibilities exist for progressing along this line. This would be a very good thing.

Human Rights

Defense of human rights throughout the world is considered to be a strong point of French policy. There is a long way, however, from words to actions.

In Turkey, the last dictatorship on the European continent, arbitrariness, repression, torture and executions are the daily reality. This country is associated with the EEC and has a seat on the Council of Europe, which it will soon chair. The French government has done nothing and refuses to bring up the question of its expulsion from the Council of Europe. This brought France praise from the Turkish prime minister for its "pragmatism."

We believe that support for the Turkish democrats should be increased and we are planning to do everything possible to bring about a demand that this country, which makes a mockery of human rights and liberties, be expelled from the Council of Europe. This is even more important because Turkey is scheduled to chair this organization in 1986.

South Korea and Morocco are two other examples where human rights are cruelly mocked, but Fabius' recent visit was marked by total silence on these issues--business before principles!

And there are other examples, in Africa and elsewhere.

From the Elysee's viewpoint, defense of human rights is of interest only when it offers the possibility of political activity against socialism and the French Communists, with very good media coverage.

In the same vein, we must point out the gap between the 1981 statements on arms sales, which would be "moralized."

Today these sales are breaking all records: on the rise from 1981 to 1983, they doubled in 1984. The largest contracts have primarily been with countries at war, like Iraq. We are in favor of halting all sales of arms to belligerent countries. We will act to defend freedom and human rights wherever they are threatened.

Some Conclusions

If you want to characterize the overall foreign policy of the socialist government, we could say that a constant theme is the hostility toward socialist countries and the forces of progress struggling in the world (the signing of

the Bonn declaration is very clear in this regard). It is part of the strategy of American imperialism which reinforces the policy of tension and political blocs.

Each time we must also look at the domestic policy aspect that is part of every decision made or position taken, in order to appeal to the domestic consensus-- against us and also with the same forces at the European level.

The latest fact of the most recent period is that, as at the domestic level, there has been a rapid acceleration in the implementation of this policy, which is not good for the country's future.

The decisions on political, economic and military integration are from this viewpoint a qualitatively new stage which is dangerous for the independence, sovereignty and security of France. Even the Right was not able to go so far.

After the shift in Giscard's policy from Gaullist policy, there has now been a break with the latter.

At the same time, Francois Mitterrand must take into account the peculiarities of our country, the traditions of its people in the international arena (sensitivity to important movements, solidarity, etc.), of the existence of our party and of a class federation. This is the reason for the media's intense campaign to camouflage the reality of this policy.

The French Communist Party believes that it is necessary and possible to reverse the extremely serious policies now in effect in the various areas of foreign policy. This means clarifying the reality of the choices that have been made without fueling any illusions by basing this on facts and concrete acts. We are resolutely opposed to a strategy that would strengthen a military bloc to the detriment of our sovereignty and would encourage a policy of tension and cold war. This means we must counter this with other, constructive proposals: we are doing this in several areas, as this article has shown. Finally, this means including in this activity all those who want to see an independent and sovereign France have an active role in favor of peace and disarmament, the settlement of conflicts, a new international economic order and human rights.

We are convinced that major forces to do this exist in our country and that they could exert an influence internationally on the many diverse forces which are working toward these objectives.

This is our idea of France's role in the world. To act and to join together to have this happen is a responsibility that we want to assume fully for our people and for all the other people in the world.

POLITICAL

FRANCE

PCF INTERNATIONAL ACTIVITIES FOR FIRST QUARTER '85

Paris CAHIERS DU COMMUNISME in French Jul-Aug 85 pp 96-98

[Text] January 1985

10--The French Communist and Allies group in the European Assembly sent a message of congratulations and solidarity with the Nicaraguan people in their fight for freedom to Daniel Ortega, president of Nicaragua.

Gaston Plissonnier, member of the Political Bureau and secretary of the Central Committee, represented the PCF at the inauguration ceremonies for the president of Nicaragua, Daniel Ortega.

12--The Secretariat of the Central Committee of the PCF sent a message to the FNLKS [Kanak National Liberation Front?] following the murder of Eloi Machoro.

18--Statement by the Committee for the Defense of Human Rights and Freedoms after the death sentence was given to 5 members of the organization "Islamic Republics" in the Sudan.

23--Georges Marchais, secretary general of the PCF, and Maxime Gremetz, secretary of the Central Committee, received Jean-Marie Tjibaou, leader of the FNLKS.

27--Message from the PCF to members of the Movement Against Professional Interdictions on the occasion of their working meeting in Frankfurt, West Germany.

29--PCF support for the meeting organized by "Information and Support for the Rights of the Kanak People."

February

6 to 10--Twenty-fifth congress of the PCF at Ile-Saint-Denis. Representatives of 79 Communist parties and left wing movements and parties participated in the Congress.

On 9 February there was an evening of international solidarity chaired by Maxime Gremetz. Georges Marchais and 10 foreign representatives spoke.

27--PCF support for the AFASPA demonstration at the embassy of South Africa after two patriots were sentenced to death.

28--Evening of support with the AFASPA for the recognition of the Saharan Republic. The PCF was represented by Serge Boucheny, senator from Paris.

March

1--Georges Marchais was invited to Uruguay for the inauguration of the new president of the republic, Julio Sanguinetti. He will be represented by Guy Ducolone, vice-president of the National Assembly.

4--Maxime Gremetz received Tuliameni Kalomoh, SWAPO [South-West African People's Organization] representative, and reiterated the PCF's active support for SWAPO's struggle. SWAPO is the only legitimate organization of the Namibian people.

5--Maxime Gremetz received the Nicaraguan ambassador to France, Alejandro Serrano.

6--Condemnation by the PCF Political Bureau of the repression of the Kanak people.

11--Death of Constantin Chernenko. Condolences from Georges Marchais and the PCF Central Committee. The delegation to the funeral consisted of Gaston Plissonnier and Maxime Gremetz, members of the Political Bureau and secretaries of the Central Committee.

15--Message of solidarity to the Lebanese patriots on the 9th anniversary of the death of Kamal Joumlatt.

Maxime Gremetz received Goshu Wolde, member of the Central Committee of the Workers Party of Ethiopia and minister of foreign affairs.

16-17--Jacques Denis, member of the Central Committee, represented the PCF at the International Conference for the Reunification of Korea, which was held in Paris.

20--Meeting between Maxime Gremetz and Vadim Zagladine, deputy director of the foreign policy section of the CPSU.

21--Statement by Guy Hermier, member of the Political Bureau, condemning anti-Sandinista statements made by anti-Communist intellectuals.

22--Georges Marchais condemned the killing of two Lebanese journalists by Israeli troops.

25--Message from the PCF to the Hungarian Socialist Workers Party on the occasion of its congress. The PCF was represented by Maxime Gremetz and Lin Guillou, associate in the foreign policy section of the Central Committee.

28--Participation by the PCF, represented by Claude Billard, member of the Political Bureau, at the vigil at the South African embassy organized by the standing committee against apartheid.

Gisele Moreau, member of the Political Bureau and secretary of the Central Committee, received women from Turkey at PCF headquarters.

April

3--Maxime Gremetz and Jacques Fath, member of the foreign policy section of the bureau, received Tarek Chehab, vice-president of the Lebanese Socialist Progressive Party, and Ghassan Ayache, commissioner of foreign affairs for that party.

10--Meeting in Rome of a PCF delegation consisting of Maxime Gremetz and Pierre Laroche, member of the foreign policy section, and of a delegation of the PCI consisting of Alfredo Reichlin, member of the PCI secretariat, Antonio Rubbi, member of the Central Committee, and Claudio Ligas of the foreign policy section of the PCI.

11--The PCF sent a message of condolence to the Central Committee of the Workers Party of Albania after the death of Enver Hoxha, first secretary of the party.

Gisele Moreau and Pierrette Joachim, member of the Central Committee, received a delegation of the National Union of Saharan Women, led by its secretary general, at PCF headquarters.

16--Maxime Gremetz received Bachir Mustapha Zayed, head of the permanent secretariat of the Political Bureau of the Polisario Front.

18--Georges Marchais sent a letter to Sam Najuma for SWAPO's 25th anniversary.

19--Letter from Maxime Gremetz to the minister of foreign relations regarding the increase in Israeli repression of the Lebanese people.

21--Statement by Maxime Gremetz regarding the situation in Nicaragua, asking the government to take initiatives so that the country's right to independence is respected.

23--Message from the Central Committee of the PCF to the Communist Party of Vietnam following the death of Nguyen Duy Trinh, former minister of foreign affairs.

24--Message from the PCF to the Sudanese Communist Party to express its wishes for success and warmest greetings after the changes occurring in the Sudan.

25--Statement by Maxime Gremetz after the decisions announced by Laurent Fabius to postpone the self-determination ballot in New Caledonia until 1987.

26--Statement by Pierre Pranchere, Communist deputy at the Strasbourg Assembly, on enlarging the EEC.

29--Meeting of Maxime Gremetz and Jean-Marie Tjibaou at Central Committee headquarters.

30--Statement by Georges Marchais on the eve of the Bonn meeting of the most industrialized countries.

May

2--In the National Assembly Guy Ducolone, vice-president of the Communist group, protested the government's silence on Ronald Reagan's visit to Bitburg.

Athos Fava, secretary general of the Communist Party of Argentina, was received by Maxime Gremetz at Central Committee headquarters.

3--At a press conference in Amiens Maxime Gremetz stated that Reagan's decision for a total blockade of Nicaragua was a dangerous escalation.

6--Statement by the Political Bureau to commemorate the 40th anniversary of the victory over fascism.

7--Statement by Robert Chambeiron on behalf of the Communists and Allies Group in the European Assembly on Reagan's speech at Strasbourg.

Letter from Maxime Gremetz to Roland Dumas, minister of foreign affairs, requesting France's help in convening the Security Council at the request of Nicaragua.

8--Question by the Communist deputies to the government on the Nicaragua trade embargo mandated by Reagan.

9--L'HUMANITE published an article by Maxime Gremetz: "Bonn, a Dangerous Step"

13--The PCF supported the demonstration of the Association to Support the Kanak People which took place between the Place de la Nation and the Place de la Republique.

15--The secretary general of the Brazilian Communist Party, Giacondo Dias, was received by Maxime Gremetz at Central Committee headquarters.

16--A PCF delegation attended the international conference for the sports boycott of South Africa in Paris. Maxime Gremetz made a statement (14 May). He also met M. M'Bow, head of UNESCO.

22--Robert Montdargent, deputy, addressed the minister of foreign affairs in the National Assembly to denounce the persecution of anti-apartheid activists and the government's relations with the Republic of South Africa.

24--Human rights: statement by the PCF, "The Truth About the Situation in France and in the World."

Statement by Maxime Gremetz on the situation and the worrisome confrontations in Lebanon.

30--Statement by Georges Marchais on human rights. Louis Odru, deputy, spoke to the National Assembly about the confrontations in the Palestinian camps in Beirut.

A delegation of the March 6 Movement in Uruguay was received by Marie-Therese Goutmann, member of the Central Committee of the PCF, and Jacques Planche, member of the foreign policy section of the bureau.

June

1--Meeting of the Communist Parties of capitalist Europe in Wuppertal (FRG) on women's rights. The PCF was represented by Mireille Elmalan, member of the Central Committee, and Genevieve de la Bruyere, member of the women's committee.

7--Rajiv Gandhi, prime minister of India, was received by Georges Marchais during an official visit to France.

12-13--An international meeting of the Communist Parties of Europe was held in Paris and had as its theme "The Crisis--Analysis and Action by the Communist Parties in Each of the Countries." The following parties were represented: the German Communist Party, the Communist Party of Austria, the Communist Party of Belgium, the Unified Socialist Party of West Berlin, the Communist Party of Denmark, the Communist Party of Spain, the Communist Party of Finland, the French Communist Party, the Communist Party of Great Britain, the Communist Party of Greece, the Communist Party of Ireland, the Italian Communist Party, the Communist Party of the Netherlands, the Portuguese Communist Party, the Communist Party of San Marino, the Party of the Left-Communist of Sweden and the Communist Party of Turkey.

Maxime Gremetz and Philippe Herzog, members of the Political Bureau, and Catherine Margate and Jacques Denis, members of the Central Committee, represented the PCF.

A press release was issued at the end of these two days. (See L'HUMANITE, 14 June.)

14--Statement by Maxime Gremetz on the expansion of the fighting in Beirut.

At the initiative of Francis Wurtz, Communist deputy to the European Parliament, there was a meeting with the victims of professional interdictions in the FRG.

17-18--At the invitation of the FFF, the president of the Finnish Communist Party visited France. In particular, he had a meeting with Georges Marchais. A statement was issued by the two parties.

19--On behalf of the Communist group, Robert Montdargent spoke with the French government to demand that the four Indonesian Communists threatened with execution be spared.

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POLITICAL

GREECE

PAPANDREOU-SARTZETAKIS TENSION SAID TO BE MOUNTING

Disagreement Noted

Athens ETHNOS in Greek 3 Aug 85 pp 1-2

/Article by A. Kalamaras/

/Excerpts/ The government is in complete disagreement with the president of the Republic over the question of awarding formal expressions of satisfaction to retired President of the Areios Pagos (Superior Court) G. Konstas and other retiring jurists.

Specifically, /President/ Khr. Sartzetakis twice refused to sign the decree submitted by the government. The first time he returned it because the government had used the term "extreme satisfaction" for Konstas and other jurists. The second time because it had the term "full satisfaction"--the appropriate minister had used "full" to replace "extreme" in an effort to placate the president.

The government neither denied nor confirmed Sartzetakis' refusal to sign. To inquiring newsmen yesterday, government spokesman Laliotis said: "I state categorically once again and I hope for the last time that no problem exists in the relations between the president of the Republic and the government."

Question: Did or did it not happen? Did Sartzetakis twice return the Presidential Decree submitted to him by the government?

Laliotis: I am commenting on the story and I tell you there is no problem in relations between the government and the president.

Question: Did the incident take place or not?

Laliotis: I don't know.

The reasons for the president's refusal to sign are not known.

Among senior judges, however, it was said that Konstas and Sartzetakis were not particularly friendly when both were serving as justices in the Areios Pagos.

This was the impression of others during the time Konstas was president of Areios Pagos and Sartzetakis had been promoted to justice of that court.

Political Repercussions

Athens 1 VRADYNI in Greek 3 Aug 85 pp 1, 5

/Excerpts/ A whole series of new disagreements between Sartzetakis and the government has come to light. This has surprised and worried political circles since "clashes" at the top of the state authority may have severe repercussions on the country's political life.

Again, it was Sartzetakis who ignited the "fuse" by refusing to sign Presidential Decrees sent to him by Papandreou. Angered by this, the premier ordered the opening of a new "front" in the attrition war against Sartzetakis (in the context of the plan--revealed by VRADYNI--for bring Papandreou to the presidency of the Republic).

The newspaper AVRIANI, official organ of Menios /Koutsogiorgas/, in an eight-column headline yesterday revealed "New Disagreement Between the Government and Sartzetakis." It underlined that the president twice refused to sign the decree awarding praise to retired president of Areios Pagos, G. Konstas.

The Koutsogiorgas "Finger"

Political observers noted yesterday that AVRIANI's attacks against Sartzetakis (a few days ago this newspaper called on Papandreou to put "a brake on the activities of the president of the Republic) must be guided by Interior Minister A. Koutsogiorgas whose ties with AVRIANI are well known.

The reason behind the Koutsogiorgas instigation of the AVRIANI attacks is--according to these same observers--that only Koutsogiorgas, as a close friend and associate of A. Papandreou, knows of the plan to undermine and then replace Sartzetakis. Koutsogiorgas is the main instrument in these machinations.

The fact that Sartzetakis was recommended for the presidency to the premier by Koutsogiorgas early in March does not contradict the views of these observers regarding the role played by Koutsogiorgas. They add that the plan to undermine and replace Sartzetakis is not recent. It was studied and decided on in early March--as VRADYNI also reported.

The same observers believe Koutsogiorgas is again behind yesterday's report by AVRIANI. There is an additional reason: The attack against Sartzetakis is designed by defend the former president of the Areios Pagos, who is a close friend of Koutsogiorgas. AVRIANI's report includes the following:

"Twice in the last few days president of the Republic Khristos Sartzetakis refused to sign, and returned unsigned, decrees in which the government expressed 'exceptional satisfaction' with retiring President of Areios Pagos Georgios Konstas."

According to our information, at first the president suggested the government delete the word "exceptional". The government, although seriously displeased, replaced it with "full" and returned the decree for signature.

To the government's surprise, Sartzetakis refused for the second time to sign it and demanded that "full" be deleted and only the word "satisfaction" be left.

VRADYNI is told that friends of Konstas claim that Sartzetakis' attitude is due to the fact that when he was president of the Areios Pagos, Konstas voted against his promotion to justice of that court.

There Was a Problem

In the meantime, the weekly PONDIKI, whose connections with government circles are well known and are often reaffirmed by occasional "exclusives", returned in yesterday's issue to the Sartzetakis-government dispute, writing indirectly about the possible resignation of the president before the end of his term and noting that the president is "somewhat careless with his words."

Significant Weakening

Until the revision of the constitution the president was able to do a great deal on his own without the government's signature. "Following the revision the only significant power left is the ability (under Art. 42, Par. 2) to send back to the Vouli bills only for reasons of serious violations of constitutional procedures of the legislative process" with justification for his action.

But the pro-government publication raises "out of the blue" the question of resignation. It writes: "If the president resigns, etc., he is replaced for up to 30 days by the president of the Vouli where 180 deputies must vote "yes" or "no" on the election of a new president. Since the strength of ND is 124 deputies, one must consider as certain that there will be a new parliamentary election and the new president must be elected within 6 months (at most).

Proof that the attack on Sartzetakis was decided "up high" is the statement by the justice minister who said he "knows nothing about the decrees!" Mangakis said he "has not been informed by his subordinates."

Various Scenarios Considered

Athens MESIMVRINI in Greek 2 Aug 85 p 7

/Article by G. Lampsas: "Detective Stories"/

/Text/ It appears that certain newsmen and columnists of the liberal camp find it so difficult to foresee the moves and plans of Premier Papandreou that they resort to farfetched detective stories and the most involved

explanations for his actions and intentions. Lately I have read three different theories, contradictory but also rich in imagination.

1. One newspaper argued that the coolness in the relations between the premier and Sartzetakis is staged, designed to lead to the replacement of Sartzetakis by Papandreou. According to this theory, Papandreou and Sartzetakis agreed to have the president cause repeated incidents on questions of protocol or precedence so that gradually the necessary conditions will be created to raise the issue of the president and prepare the elevation of the premier to the presidency.

2. Another theory seen in print portrays the Americans as having turned into PASOK enthusiasts! This is based on the replies given by the new American Ambassador Kealy to a Congressional Committee which considered the confirmation of his appointment to Athens. The new ambassador said he would not like to see today relations of dependence between Greece and the U.S. which existed after World War II. Some newspapers of the Right began to scold Mr. Kealy, saying he had (willingly) sided with PASOK.

3. Finally, it has been said that the recent cabinet reshuffling proved that Laliotis "trapped" the naive Papandreou and forced him to push out his close associates Lazaris, Arsenis, and Maroudas. Something similar--according to this theory--happened when Papandreou suddenly decided to deump Karamanlis: Papandreou had been forced to do so by the "hardliners" although he wanted Karamanlis!

The first two theories portray Papandreou as a man who is so demonic and powerful that he can charm even the Americans, while the third theory portrays him as a spineless politician who gives in to pressure of his younger and stronger associates and therefore is doubly dangerous to the country.

These, however, who have known Sartzetakis for years claim that obsessions with petty details and an inflated ego are two of his permanent characteristics and therefore, it would be highly unlikely "to play difficult" just to help Papandreou climb to the presidency. Ambassador Kealy has been appointed by President Reagan who only a few weeks ago severely scolded the Greek government for its stand on the highjacking and, therefore, he is unlikely to have said what he did on his own, nor is it likely that Reagan suddenly became a PASOK supporter. Finally, Papandreou has proved, if nothing else, that he has the ability to control his associates very skillfully.

Fortunately for the liberal camp, and in spite of all denials, the coolness with Sartzetakis is real. The Kealy remarks were a tactical maneuver after the "travel advisory"--the tactic of "one hot one cold" and was not directed at all against the Right, since it referred to the early postwar period when George Papandreou was premier. Arsenis, Lazaris and Maroudas were replaced to give the impression that the situation in the economy, public administration, and communications will improve. That is the reality. Papandreou is neither all powerful nor so naive as to be a pawn in the hands of his associates.

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POLITICAL

GREECE

POLL RESULTS SHOW CONFIDENCE IN MITSOTAKIS, HOPE FOR UNITY

PASOK Losses

Athens I VRADYNI in Greek 9 Aug 85 p 14

/Excerpts/ Mr Kon. Mitsotakis, ND leader, who has remained popular among his party's members, came out unsullied from last June's electoral fight.

The above was noted in the Eurodim poll organization survey following the poll it conducted in Athens and Piraeus. The poll's data were falsified by certain pro-government newspapers yesterday --with governmental consent according to political observers-- and they contend that "the majority of ND's members do not want Mitsotakis as their leader."

In a communique issued last night, ND condemned these newspapers for "forging data and for misleading the Greek people."

According to Eurodim's data, the poll was conducted between 18-25 June with a sample of 1,000 individuals. The poll showed that of those questioned "if they are satisfied more or less with Mr Mitsotakis as leader of the major government opposition party," 31 percent answered that they are "very satisfied" and 69 percent "little or not at all satisfied."

Of the 31 percent who are "very satisfied" with Mr Mitsotakis, 85 percent had voted for ND in the June elections, 3 percent had voted for PASOK, 2 percent for the KKE (Int.) and 2 percent for the KKE.

However, of the 69 percent who say that they are "little satisfied" with Mr Mitsotakis, only 15 percent (i.e. 10 percent of 69 percent) voted for ND in the recent elections. The others voted for other parties. Consequently, they could not have been satisfied with Mr Mitsotakis.

The poll also related to Mr Papandreou's popularity. In its commentary, that the pro-government newspapers did not reveal, Eurodim stressed the following: "The fate of the two 'protagonists' is the same. Mr Papandreou, although a victor in the elections, saw his rating remain stationary. Mr Mitsotakis, although he lost the elections, also saw his rating remain stationary. However, the latter case shows that being stationary constitutes a relative success and a first indication that the ND leader came out 'unsullied' from the electoral battle."

Moreover, the poll shows that PASOK has lost 6.5 percent of its voters of the 2 June elections, in a matter of only 20 days after the elections!

On the other hand, ND did not lose any of its strength. And exactly this stability of theirs together with PASOK's drop brought the two parties to equal strength. This is also revealed in the following table:

If parliamentary elections were held today, which of the following parties would you vote for?

	Now	June 1985
EPEN /National Political Union/	0.5	0.5
ND	37.5	38
KF /Liberal Party/	*	*
PASOK	37.5	44
KKE (Int.)	4	3.5
KKE	16	13.5
EKKE /Revolutionary Communist Movement of Greece/, EDE /National Democratic Union/, ASKE /Combative Socialist Party of Greece/, Party of Leftists	0.5	0.5
Undecided	4	

* Less than 0.5 percent

Commenting on the above results, Eurodim stresses the following:

Therefore, only a few days after the elections, the strength of the parties had changed as far as the Left is concerned: PASOK lost 6.5 percent to the benefit of the KKE (+ 2.5 percent) and also there was a 4 percent of undecided voters. Thus, the two big parties are on the same level as far as strength is concerned. It is to be noted that almost all those undecided voters are in that political area that falls between PASOK and the two communist parties.

In the two previous elections also something similar had occurred but on a smaller scale, while at the same time there had been an ND drop, something that does not exist this year. In the post-electoral survey of 1981, PASOK got 4 percent less (but ND too got 3 percent less), while the KKE rose 3.5 percent and there were 3 percent undecided. Last year, PASOK lost 3 percent, ND 2.5 percent, while the KKE rose just 0.5 percent and there were 5.5 undecided.

ND Youth Percentage Rises

Athens I VRADYNI in Greek 12 Aug 85 p 14

/Text/ The overwhelming majority of ND's members (98 percent) calls for ND to remain united, while a great part (83 percent) asks that Mr Mitsotakis remain as its leader. The above comes from a survey conducted by the poll organization "Metrix Research Center" between 11-28 June with a sample of 2,592 individuals between 18 and 69 years of age. The results of this survey were revealed by ND yesterday.

The poll was conducted in mainland Greece, Athens, Piraeus, Salonica, Crete --in urban cities with more than 10,000 inhabitants and in semi-urban and rural areas with less than 10,000 inhabitants.

It is also to be noted that 84 percent of ND's members feel that the 2 June electoral results were positive and only 14 percent describe them as unsatisfactory, while 2 percent refused to answer.

It is, moreover, characteristic that the 17 percent who did not ask Mr Mitsotakis to remain as leader are not actually against him but merely express the view if it becomes necessary in the future for "someone else" to become the leader. This is interpreted as another indication of the desire of the grass roots that the party remain united.

Of special interest in the poll is that part that refers to the shift of voters in the 1981 and 1985 parliamentary elections.

More specifically, as noted in the ND announcement that accompanies the survey data:

- In the 2 June elections, a significant segment of the electorate, that is around 12 percent, voted for a party different from that that they voted for in the 18 October 1981 elections. This shift relates to the great majority of the two parties, PASOK and ND.

- Thus, of the 40.9 percent that ND received in the recent elections, about 8 percent were PASOK voters in 1981.

- On the other hand, of the 45.8 percent of the votes that PASOK received, about 2 percent were ND voters in 1981.

ND's gains among the youth from 1981 to 1985 are impressive. Consequently, the major government opposition party gives the appearance of being more youthful and dynamic.

Specifically, in comparison to 1981, the percentage of ND voters between 18 and 29 years of age doubled (from 10 to 20 percent) in the 1985 elections.

Moreover, four in 10 ND voters are between 18 and 39 years of age. On the educational level too there are significant changes since over 40 percent have higher education.

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POLITICAL

GREECE

PESIMISTIC EVALUATIONS ON NEW DEMOCRACY FUTURE

ND Split Seen Unavoidable

Athens KYRIAKATIKI ELEVTHEPOTYPIA in Greek 4 Aug 85 p 40

/Article by Panos Loukakos: "How the ND Split Will Become Unavoidable"

/Text In the summer heat of these days some people are preparing for ND Chairman K. Mitsotakis an autumn cold shower. Once again the process for the ousting of another ND leader has started. Once again an ND leader faces an open challenge and struggles to keep his leadership post. This may be a vain effort as shown by the experience of his predecessors. Again, it is a matter of time.

At this time, the majority of ND deputies is moving against Mitsotakis. Their question is not whether he should be removed--on this they all agree. They disagree or have not yet answered the question who will succeed him. As in the case of previous ND Chairman Evangelos Averof, this uncertainty allows more leeway for Mitsotakis.

Those who have openly turned against Mitsotakis include Averof, Rallis, Stefanopoulos, Evert and the groups of younger ND deputies. All are still in the talking stage. But there are others who are clearly influenced by the examples of Boutos and Livanos and who want more than "just talk."

Some already speak of the return of G. Rallis to the leadership, but this clashes with his own refusal and Averof's objections. The Stefanopoulos solution clashes with the argument that he has repeatedly been a candidate and was not chosen. For this reason, most of them agree that while, as a second-in-command, he can play a balancing role as K. Papakonstandinou did in the past, he can no longer act as a protagonist.

As a result, a new idea gains ground: To find a leader among the younger party deputies. This idea may not be totally opposed by the party elders provided they could guide and control the new leader from behind the scenes, with few objections on his part. Thus, in the discussion any support is tied, indirectly but clearly, to a distribution of party power.

All this is not new. These are discussions and developments which started the day after the ND defeat in the /2 June/ election. The new element is

somewhere else; in the fact that for the first time another parallel train of thinking is developing, starting with the withdrawal of Boutos and Livanos from ND.

According to this train of thought, the present composition of the Chamber of Deputies /Vouli/ does not entirely correspond to the views of the electorate and therefore, a change would not be an unrealistic political development. In other words, certain ND deputies believe that, in the same way several of them are not being accurately "expressed" by a party led by Mitsotakis, the same way a significant segment of ND voters would accept another solution; a solution, that is, that would be none other than the creation in this Vouli of a centrist party, based on the so-called "renewal supporters" among the ND deputies.

The time to launch this process, according to its key advocates, is this coming fall when the Vouli will again be in session. The first, minimum step, is to have a group of ND deputies declare themselves independent and begin to act in unison in the Vouli under a common label.

The maximum goal of the deputies who speak today of creating a centrist party is to attract either at the start or in a second stage certain other deputies of centrist origin. Initial soundings to that effect should be ruled out in the next few weeks.

In any event, ND is not going to overcome its present crisis as it did in the past. K. Mitsotakis already prepares the ground for his complete control of the coming party Congress. And since he effectively controls the party machinery he is likely to achieve such control. Those deputies who oppose Mitsotakis know that if the party goes to its Congress as things stand now, they will be forced to watch Mitsotakis' victory "silently, with sorrow, and with good manners."

For this reason they ponder the necessity of moving early in the fall, before the ND Congress, so that either they will overthrow Mitsotakis or, if they fail to do so, become independent; because, after the Congress, after a staged but fresh "mandate" to Mitsotakis, things will be very difficult.

If Mitsotakis is not overthrown by then, it is very likely that a number of ND deputies will declare themselves independent in the next Vouli session. If he is overthrown, it is certain that he will not give up the leadership post but will cause a split, leading away those deputies who wish to follow him. They will be more than a few because Mitsotakis took care to place his political friends high in the local tickets during the June election.

Under these conditions it is very likely that the current Vouli will not end its life with the composition it began in June. In one way or another, the subterranean currents which are now forming will find a way to come to the surface. There is plenty of time for this until the next election when it is very likely that the Vouli will enact a new electoral law more closely resembling the simple proportional.

Creation of a New Party Predicted

Athens TO VIMA in Greek 7 Aug 85 p 2

/Text/ It is believed that approximately 30 ND deputies are taking part in the move to form a new Centrist Party. These deputies are expected to come out into the open in the fall in two stages:

--First, they will try to bring about the overthrow of K. Mitsotakis prior to the ND Congress.

--If the effort to overthrow Mitsotakis fails they will speed up developments for a new, centrist party which will make its debut before the end of 1985.

This initial number of deputies should not be regarded as final. First, because the questions concerning the future of the camp are voiced by a larger number of deputies, political activists, and party cadres.

Second, because the number of those who close ranks differs depending on the major objective: the overthrow of Mitsotakis or the creation of a new party.

It should be considered as certain that if a trend toward a split appears, the number of potential participants is such that they will be able to move forward immediately to form a parliamentary group entitled to party status under the Vouli Rules. Fifteen deputies are required for such status. In this way, they will immediately become the "third party" in the Vouli with a strong parliamentary (and political) presence.

The ND cadres who participate in these moves are not questioning so much the character of the new party (it will be a centrist party placed in the area between PASOK and ND) as the identity of the person who will assume the leadership.

They believe that when they leave the party they will dump on Mitsotakis all "the negative inheritance of the Right" while they take over all its "renovating aspects" as they became evident after 1974.

"It will not be difficult to convince the people who thirst for something new that Mitsotakis represents the old party mentality," to quote a young ND deputy. In any event, he is already burdened with the whole issue of /the 1965/ defection (apostasy). If we cover the center, Mitsotakis will be forced to go more and more to the extreme Right.

It appears that these ND deputies who raise these issues have already overcome the last doubts concerning the "seal of ND."

"Should we leave," said one of them, "the thing will turn into an avalanche. Soon Mitsotakis will be left with the party seal like Zigdis!"

But the identity of the leader remains a controversial issue. I. Boutos (apparently) does not have leadership ambitions and will be limited to a second post (probably that of parliamentary representative).

K. Stefanopoulos is considered by many to be "a good solution" because his rightist background will allow the new party to win over part of the rightist electorate while it will facilitate the defection of more ND cadres. Others, however, argue that "what kind of centrist image are we going to project with Stefanopoulos as the leader?" To this, the supporters of the "Stefanopoulos solution" counter that he is not "corrupted", that his "leadership image is not cast in concrete and that if he is joined by four or five new deputies" he can prove a good choice. Even more so, since in due course these younger men can take over the torch.

Evert is not taking part in these goings on. The aforementioned cadres believe that he is "waiting to see what will happen with Mitsotakis" and for this reason he hastened to "cover the Mitsotakis methods for the preparation of the Congress" with a personal statement. But he may join a broader "anti-Mitsotakis front" at a given moment.

Mitsotakis on his part appears to prepare for some kind of counter attack since he is planning a press conference this week. His objective, it is said, is to counter the impressions created by the Boutos press conference and to try to regain a measure of initiative.

Mini-Poll on PASOK-U.S. Relations

Athens MWSIMVRINI in Greek 2 Aug 85 p 5

/Text/ Besides the summer heat the most talked about issue these days is the statement of U.S. Ambassador Kealy, which has caused disagreement even among PASOK followers, over the Papandreou romance with the U.S.

MESIMVRINI conducted a summary/poll among 48 PASOK followers who were asked the question: "How do you see the romance between Papandreou and the U.S.?" Of the 48:

Eighteen refused to answer but their silence was very eloquent. They did not like the shift in a policy which until now was anti-American.

Another 18 did not approve of the romance but they tried to find excuses for Papandreou: "It's a matter of diplomacy, not of substance. No one is fooled by it." "The government does cozy up to the Americans. It simply plays its game cleverly." "No one wants to have the U.S. as an enemy. If the Americans understand that we are an independent government, then Papandreou is doing the right thing."

Of the remaining 12, 2 or 3 spoke in general terms about "much ado about nothing," while the rest stated that they disagree with the Papandreou tactics, adding that they "feel deeply disappointed" or "betrayed".

POLITICAL

GREECE

DETAILS ON BACKGROUND, MOVES OF NEW SECRETARIES GENERAL

Athens TO VIMA in Greek 4 Aug 85 p 8

/Article by Olga Tremi/

/Text/ Nine new individuals --some of whom are already well-known-- six members of the PASOK Central Committee --one of whom, Mr D. Rokkos, also belongs to the party's executive office-- four former nomarchs and three former deputies constitute the 23 secretaries general whose names were announced yesterday.

While the 23 secretaries general, together with the ministers and deputy ministers, went to work to implement Prime Minister A. Papandreou's exhortation about "muscle and effort in work" so as to bring about "a new rhythm and aggressive spirit in government policy," the committee that brings together proposals and make recommendations on the filling of vacant secretaries general positions (it is composed of Messrs A. Tsokhatzopoulos, G. Gennimatas, K. Laliotis, A. Koutsogiorgas and A. Livanis) must complete its job within the week. In other words, to fill the seven remaining secretaries general positions with the exception of the one in the Ministry of National Defense (where Mr Papandreou himself will decide), although certain other exceptions cannot be ruled out.

Of the 23 secretaries general whose names were announced the day before yesterday, nine are altogether new faces. They are Mr P. Evthymiou (Press), Mrs Laiou-Andoniou (Equality), Messrs Th. Karezas (National Economy), G. Adamopoulos (Finance), N. Sarandis (Public Works), B. Georgakakis (Aegean), D. Sarris (Athletics) and Kyriakos Papailliou (Research and Technology), while Lyk. Sakellaris is also included among the new faces (he was assigned to the Ministry of Interior a short time ago).

It should be noted that of these nine new faces, three come from Crete: N. Sarandis, former nomarch of Lasithion; B. Georgakakis, former deputy of Rethymni; and D. Sarris, former deputy mayor of Irakleion.

Of the total number of secretaries general:

- Six are members of the PASOK Central Committee (Messrs D. Rokos, K. Tzimas, L. Sakellaris, B. Georgakakis, K. Papanagiotou and A. Papathanasopoulos).
- Four are former nomarchs (Messrs L. Sakellaris --Salonica, G. Adamopoulos --Pella, N. Sarandis --Lasithion and V. Papadopoulos --Piraeus).

- Three are former deputies (Messrs B. Georgakakis, V. Papadopoulos and Gr. Kassimatis).

At the same time, it seems that with the new assignments the number of women who now hold positions of secretaries general has doubled. In addition to Mrs E. Serellis (Ministry of Health), who was up to now the only woman secretary general, there is now Mrs Laiou also.

Other records noted on the basis of the reshuffling in the positions of secretaries general that has taken place since 1981 are the following:

- The record of continuity shared by Messrs Kh. Papathanasiou (Ministry of Agriculture), G. Asimakopoulos (Ministry of Justice) and K. Papanagiotou (Ministry of Labor). Indeed, the latter was reportedly certain to become deputy minister of labor except for the fact that this deputy ministry was abolished during the drafting of the bill on the new government schema in the Chamber of Deputies.
- The record in shifts claimed by Mr D. Beis who has held the position of secretary general of the Ministry of Education, secretary general of the Ministry to the Prime Minister and finally secretary general of the Chamber of Deputies.

From the point of view of ministries, two claim the title of being the most pluralistic, with four changes noted in the last 45 months: the Ministry of National Economy (where secretaries general were in order of succession Messrs P. Roumeliotis, Karadimas, Gr. Kassimatis and finally Th. Karatzas --without, however, counting the short stay of Mr N. Sarandis) and the Ministry of Commerce where Messrs El. Kiosklis, G. Sotiropoulos, A. Papaspyridis and M. Sallas were secretaries general. These ministries were followed, with three changes, by the Ministry of Education (Rokkos, Beis, Tzortzopoulos), Ministry of Health (Ioakeim, Spiliopoulos, Serellis), as well as the Deputy Ministry of Athletics (Koulouris, Kassimatis and Sarris).

More specifically:

In the Ministry to the Prime Minister, the position of secretary general was filled by Mr D. Rokkos (the latter a member of the PASOK Executive Office --following Mr Vasos Papandreou's becoming a minister-- who did not have any government or state office) replacing Mr I. Mountzouranis who had resigned immediately after the elections. According to information, certain other positions in the Ministry of Physical Planning, Housing and Environment, Ministry of Commerce, etc. had been counterproposed to Mr Rokkos (who had requested either the position of secretary general of the Ministry to the Prime Minister or secretary general of the Ministry of Foreign Affairs that had not been filled) but he refused them.

In the past, Mr Rokkos was secretary general of the Ministry of Education from which he resigned because of strong differences with Mr St. Papathemelis at the time when the framework law on the AEI [Advanced Educational Institutions] was being pushed --in the Chamber of Deputies-- and he became, in the interim, chairman of the State Land Company.

Changes in the Ministry to the Prime Minister were also made in the Secretariat General for Press and Information where Mr P. Evthymiou, a close associate of the new deputy minister, became secretary general, as Mr K. Laliotis had already announced. At the same time, another new individual, Mrs Khrysanthi Laiou Andoniou, adviser to the prime minister on matters of equality of the sexes, was appointed secretary general of the Ministry for Equality, thus doubling the number of women who occupy the position of secretary general.

There was no change in the Ministry of Interior where the newly-appointed secretary general, Mr A. Sakellaris, remains in office, following his "success" over his colleagues from Peloponnisos, namely Messrs Stavropoulos and Papadopoulos.

As is known, the former nomarch of Salonica replaced Mr Ath. Tsouras, who had occupied the post of secretary general of the Ministry of Interior steadily since 1981. Following the recent elections he was upgraded to alternate minister for public order matters. Previously in the "52-day" government, he was minister of public order prior to the merging of the ministries.

In the other secretariat of the Ministry of Interior (i.e. the Public Order Secretariat), Mr Tzimas was appointed secretary general. He had occupied this position prior to the merger --a position he had taken from Mr P. Anagnostopoulos who had resigned for personal reasons.

Mr Th. Karatzas, an ETVA [Hellenic Industrial Development Bank] official (he is considered a close friend of Mr G. Mavros), is the new face in the Ministry of National Economy --a ministry that has perhaps experienced the most changes as far as the position of secretary general is concerned. The first --in a PASOK government-- who occupied this post was Mr P. Roumeliotis, today deputy minister in the same ministry. He was succeeded by Mr Karadimas, professor of industry, under the ministry of Mr A. Lazaris. He was subsequently replaced by Mr Gr. Kasimatis (under the G. Arsenis ministry). The latter resigned and with the recent changes he was transferred to the Ministry of Transport and Communications.

In the other secretariat of the Ministry of National Economy (EOT [Greek Tourist Organization]), Mr N. Skoulas remains as secretary general. He had been assigned to this post when Mr S. Panagopoulos resigned and was assigned to the National Bank management. It is to be noted that the Secretariat General for Public Organizations and Services post has not yet been filled.

Mrs Evdokia Serelli, the first woman secretary general, remains in the Ministry of Health and Welfare. In the position of secretary general of the Ministry of Social Services (prior to its merger with the Ministry of Health) was Mr Ath. Skoulas, former deputy from Irakleion (in the 1977-1981 period).

Mr G. Adamopoulos, former nomarch of Pella, remains solidly in his "post" as secretary general of the Ministry of Finance despite rumors to the effect that he would be replaced even though he has had his assignment for only 10 days (before Mr Arsenis' withdrawal from the government). Mr Adamopoulos succeeded Mr X. Peloponnisios who had resigned prior to the recent elections to be included in a non-elected position (seventh) on the PASOK deputy-at-large ballot.

Mr V. Papadopoulos, former deputy and later nomarch of Piraeus, remains at his "post" in the Ministry of Merchant Marine. He had succeeded Mr V. Saranditis. The latter (who resigned for reasons of health) was elected deputy from Piraeus in the recent elections.

There have been fewer changes in the Ministry of Culture over the past 45 months of PASOK government. It also has another sort of record: it has the only same and steady minister since 1981. At first, Mr M. Doris had assumed the position of secretary general. He clashed with the ministry leadership and was subsequently replaced by Mrs Melina Merkouri's adviser, Mr K. Alavanos. Of the remaining secretariats of the ministry, only the Secretariat for Athletics post has been filled, namely by Mr D. Sarris, a PASOK politician who replaced Mr G. Kassimatis. The latter had succeeded Mr Kimon Koulouris for a short time. The latter is one of the few secretaries general who had been placed on the PASOK electoral slate and elected deputy in the recent elections (the others are Messrs A. Sarandinis, Petsalnikos and El. Kiosklis) and his name had been discussed for the position of Deputy Minister of Athletics where, as it is well known, Mr S. Valydakis has been assigned.

In the Secretariat for Popular Education, Mr Geros replaced Mr F. Petsalnikos prior to the elections. In the Secretariat General for Overseas Greeks, Mr M. Papastavrou succeeded Mr Ouzounidis. The newly-established position of secretary of the new generation has not yet been filled.

The merger of the Ministry of Physical Planning, Housing and Environment with the Ministry of Public Works did not at first have an effect on Mr Al. Pantazis who was secretary general in the Ministry of Physical Planning, Housing and Environment (and he remained with the same duties in the merged ministry). Mr Pantazis had replaced Mr I. Kalandidis who had resigned for reasons of health at the same period of time when Mr A. Tritsis had also withdrawn. Mr A. Sarandis, a former nomarch who was "trasferred" after a short stay in the Ministry of National Economy, was assigned to the vacant post of secretary of public works --vacant after Mr K. Geitonas became minister.

Besides the Ministry of National Economy, the record for shifts and transfers is being claimed by the Ministry of Commerce. Its first secretary general was Mr El. Kiosklis, a former deputy from Lesbos who was reelected in the recent elections. Mr Kiosklis was succeeded (under Mr G. Moraitis' ministry) by Mr G. Sotiropoulos who (under the V. Kedikoglou ministry) was replaced by Mr A. Papaspyridis (a candidate for deputy in 1981) who in the end handed over the post to Mr M. Sallas (who was a member of the prime minister's economic office).

In the merged Ministry of Industry, Energy and Technology, Mr A. Papathanasopoulos, previously secretary general of the Ministry of Energy and Natural Resources, a position that he inherited from D. Polykhronopoulos, was assigned to the post of secretary general of industry. Mr Kyr. Papailiou, former adviser to former minister G. Lianis, who replaced Mr D. Rapakoulis, was assigned as secretary general of research and technology.

Finally, Mr B. Georgakakis, a native of Crete (former deputy from Rethymni in the 1977-1981 period) and member of the PASOK Central Committee, was assigned to the post of secretary general of the newly-formed Ministry of the Aegean.

The name of I. Angelopoulos (secretary of the Salonica PASOK NOME Committee), secretary general of the Ministry of Northern Greece, who, as is well known, succeeded Mr My. Kyratsou --the latter had resigned to become a government party candidate in the recent elections-- did not appear on the list of secretaries general that was announced the other day. According to published information, it cannot be ruled out that Mr Angelopoulos might be transferred to the post of nomarch of Serrai, a post that is now vacant.

5671

CSO: 3521/333

POLITICAL

GREECE

PEACE MOVEMENT SEEN LOSS OF WILL TO RESIST

Athens I KATHIMERINI in Greek 24 Aug 85 p 4

[Article by Tilemakhos Maratos: "AIDS--Defeatism"]

[Excerpts] A strange phenomenon has appeared in recent years in the world of the production of Wagnerian operas. There are hundreds of excellent musicians, able to play all the instruments. There are wonderful conductors. Very talented producers. Tens of singers. But one kind is absent: Ziegfried.

It is almost unbelievable, but in the entire world today, there is not one singer who is able to play this part. This issue is worrying a lot of people.

Some hope has recently emerged: Peter Hoffman. Not only does he have a good voice, but he is also very handsome, resembling Ziegfried as the Germans imagine him. But the experts are shaking their head regretfully and saying he is destroying his career because he also sings rock music.

Thinking and rethinking the problem, I thought that perhaps this phenomenon has some symbolic meaning; it may "say" something. I thought that perhaps the reason that there is no Ziegfried today is because people don't want him. In other words, people no longer admire that symbolic hero who stands up against the dragon holding a sword, just like a St. George or an Alexander the Great. The modern rock singer finds himself between a state of exstasy and indolence. His song is a hymn to bliss, without thought, without principles, but mainly without resistance to whatever he likes....

This phenomenon of non-resistance, of the absence of a feeling of "obligation"--that is, the absence of moral foundations--is very common today and produces various multiform results.

One of its incarnations is the young man who is following the road to unemployment because of inertia, but another, much more serious, is what is happening in New York and California. What is happening in California is very, very serious, because it is the source of our present civilization, or, if this is too strong a statement, at least the example of the way of life which we faithfully, if with some delay, try to copy.

In California and in New York the unrestrained hedonism of a large group of people--the abandonment of an idea of resisting whatever is suggested to them by their darker side--has finally found its natural expression. The society that has lost the ability or the desire to resist and to defend itself is mirrored in the microcosm of the organism of the AIDS patients: the body without defenses.

In the past month, the two most discussed issues on the front pages of newspapers and on magazine covers were the anniversary of Hiroshima and the AIDS menace.

The disease AIDS reminded one of the plague epidemic in the 14th century, which killed more than 25,000,000 people in Europe. Just for the sake of noting it, let me mention that the plague is carried by an especially repulsive vector: the lice on mice.... It would be difficult to find something more disgusting than this, but according to biologists, it seems that lice, mice and cockroaches will inherit the earth.

The perspective which sees in our future our drowning in "progress", or our destruction from repulsive organisms (without being able to say with certainty at any time that one is not the other) gives rise to some doubts about the wisdom of the order of things in this world. Unless we should not lay the blame on the order of things, but rather on the condition of our mind and the way we look at things.

We have not decided whether we shall die vaporized by nuclear bombs or reduced to skeletons like a Rock Hudson by the millions, in gigantic intensive-care wards that will resemble the "Peace and Friendship" stadium [Translator's note: this is a stadium recently built in Athens by the PASOK government.] This is where I went to hear Leonard Bernstein conduct the most boring concert about Hiroshima, and where I thought that the narrator does not, in reality, fear the atomic bomb. He fears death.

In relation to the plague in the 14th century, I would like to note that there are no eyewitnesses today who can tell us how they were spared. Because, in the end, even the one-third or the one-fourth of the population who was spared did die. This is the dark truth. The bright side is that both Nagasaki and Hiroshima (just like Dresden and Hamburg, where more people were burned) are today lively cities greater and better than before.

This means two things: that we shall die and that we shall live. The antithesis is only superficial.

But there is no antithesis between "Peace and Friendship" and AIDS. There is a connection, and still better, there is an identity.

The words "Peace and Friendship"--as they are used today--are pseudonyms for the words "Unilateral Disarmament." And "Unilateral Disarmament" means the lack of desire to resist, the conscious self-generated weakness vis-a-vis defense. The AIDS syndrome is exactly the same. The disarmament of the

organism, the impossibility to resist the attack to which it is daily subjected by the germs it is already carrying and by others from the outside. The organism does not produce antibodies, does not fight, can do nothing but give up and die.

The peace movement is the AIDS syndrome of the Western world, the civilized, free world. The virus is not carried by black mice, but by the weary, put-upon white doves that are mobilized to fly in a daze into the stadiums, without a word of protest by the society for prevention of cruelty to animals, to people or even to symbols.

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POLITICAL

NORWAY

CHRISTIAN PARTY CHAIRMAN CONFIDENT OF CONTINUED COALITION

Oslo AFTENPOSTEN in Norwegian 29 Jul 85 p 3

[Article by Einar Solvoll: "Cabinet Minister Bondevik Assesses Party Status: The Christian People's Party Benefits from Coalition"]

[Text] "The Christian People's Party was able to accomplish more in a government position from 1983 than we achieved as opposition party or as support party for a purely Conservative government," Minister for Church and Education Kjell Magne Bondevik maintained in a conversation with AFTENPOSTEN. Now he is on vacation, after he substituted earlier in the summer as acting prime minister and minister of foreign affairs the whole last week.

With him in his vacation suitcase Cabinet Minister Bondevik has the Christian People's Party election campaign plans and a little bit of fiction with which he will relax in his cottage close to his home town of Molde. The vacation is only interrupted by conducting the official opening of the jazz festival during the summer together with Crown Princess Sonja, among others.

Before, Cabinet Minister Bondevik was in his office in the Church and Education Ministry, even when he was acting prime minister. He had almost daily telephone contact with Prime Minister Kare Willoch--particularly when it concerned the relations with the Soviet Union with regard to the cable cutting of the Norwegian research vessel 'Malene Ostervold'.

Continued Cooperation

Cabinet Minister Kjell Magne Bondevik expects with 75-percent certainty that the present government coalition will continue after the election in the fall, even though the outcome is of course completely open before the actual election day. In the election campaign he will fight for the party maintaining its position in the government and among the voters, and he thinks that the cabinet ministers of the Christian People's Party can certainly be satisfied with the results which have been achieved so far. During this 4-year period foreign aid was increased from 3.5 to 5.5 billion kroner,

the Oil and Energy Ministry has helped distribute the oil activities along large parts of the coast, and the trade minister is responsible for one of the country's largest industries.

Positive Report

Cabinet Minister Bondevik gave a political accounting of the more than two years he has been in charge of the Church and Education Ministry:

--The decision was made to introduce a church convention which will meet once a year, and in addition diocese meetings which will meet every other year.

--Further, a new law was adopted regarding deacon service in the Norwegian Church which upgrades the status of this service and allows for government subsidies.

--The sale of parsonages will provide income for a new special fund for church causes.

--In the past two years 48 new positions were established within the Church.

Smaller Classes

As to the elementary school, the maximum number of students per class was reduced from 30 to 28, which will actually result in 330 new teaching positions.

--The instruction hours required for teachers at the elementary level was reduced from 29 to 27 which actually means that the number of teaching position will increase by 1,400.

--A new minimum standard requirement was accepted for the number of classroom hours for students, with 138 hours at the elementary level and 90 hours at the junior high school level.

--Action was taken against harassment in the school.

--A 4-year practice program for data technology was started.

--During the whole election period from 1981 to the present approximately 35,000 new student places in advanced schools were established, and more than 70 percent of these positions are for studies in trades and professions.

--The apprenticeship system was strengthened considerably, including increased grants for companies. The grant per apprentice, for instance, was increased, from 8,000 kroner in 1982 to approximately 25,000 kroner this year. From 1983 to 1984 alone this resulted in an increase in the number of apprenticeships of 16 percent.

Athletics - School

--Initiative has been taken to establish and offer a course of instruction to advanced schools which will allow top athletes to combine school with a sports career.

--Increased admission of functionally handicapped in institutions of higher education is to be instituted, and such education will get priority starting January 1, 1987.

--A new law regarding adult education centers was adopted which includes decentralization, greater freedom for the individual schools, and it gives the school a basis for acting as free schools in administrative, economic, pedagogic and ideologic matters.

--A new law concerning private schools will give these schools greater freedom, eliminating the county's veto power over new advanced private schools--and the students get the right to travel reimbursement and special instruction.

"These are some of the most important results which were achieved in the government coalition together with the Conservatives and the Center Party," Kjell Magne Bondevik, chairman of the Christian People's Party and cabinet minister, pointed out.

12831

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POLITICAL

NORWAY

MINISTRY REOPENING BEIRUT EMBASSY, IMPROVED SITUATION CITED

Oslo AFTENPOSTEN in Norwegian 25 Jul 85 p 38

[Article by Pal Bistrup]

[Text] The Norwegian Embassy in Beirut will probably be reopened this week or next week. This is the result of a meeting at the Foreign Ministry earlier this week at which the future of the embassy was discussed.

At the Foreign Ministry meeting, the chief of the Beirut Embassy, charge d'affaires Odd Wibe, said that the staff wanted to return to Beirut from Damascus and that the security situation was such that reopening was advisable. "So far, it appears that the new security plan for West Beirut that was put into effect last Tuesday has functioned so well that we believe moving back is justifiable. As a result, I have recommended to the Foreign Ministry that we return. I believe this can be done within a few days. Before the Foreign Ministry makes a final decision, it will receive a report from embassy secretary Nils Ragnar Kamsvag who has traveled to Beirut to evaluate the situation," Wibe said.

The embassy in Beirut was closed on 22 June of this year and the personnel was moved to Damascus. Some newspapers claimed at that time that the closing was related to the hijacking of the American TWA plane and to the many kidnappings of foreign diplomats in Beirut. This was denied by Wibe, however. "The embassy was moved because of the random violence in Beirut that often endangered our personnel. Possible kidnappings are not a danger to us. They are aimed primarily at Americans, Britishers, and Frenchmen. They are not at all interested in Norwegians. Random violence, on the other hand, affects everyone and if it flares up again we may be forced to move out once more. There is no reason for Norwegians to sit locked up under a hail of bullets."

What about safety precautions at the embassy itself? Will they be improved in connection with the reopening?

"We already have an armed guard from the Lebanese army and we have ordered a security checkpoint to protect the entry into the offices. This equipment has been completed and is located at Gardermoen and could be installed shortly. Beyond that, I do not believe any measures are necessary. We have received no

threats and, for this reason, we do not need to leave an existence in bunkers, as the American personnel has been forced to do."

"This possibility of relatively open activity is a great advantage for us. Along with the good will we enjoy in all camps because of our involvement in UNIFIL, this makes it possible for us to maintain a contact network that hardly any other embassy in Beirut has. We keep in constant touch with practically every group in Lebanon and, as a result, we are in a good position to carry out what has been our main task since we arrived here in 1978, namely to carry out our UNIFIL tasks by being a listening post for political and military developments in the region."

9336

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POLITICAL

SWEDEN

'AFGHANISTAN EXPERT' HAD SPEECH DISRUPTED AT MOSCOW FESTIVAL

Stockholm SVENSKA DAGBLADET in Swedish 2 Aug 85 p 8

[Article by Carin Stahlberg]

[Text] "I received great support from the audience. The atmosphere was tense but I was not at all nervous."

This was stated by Katarina Larsson, whose speech on the Soviet war in Afghanistan caused much irritation, but also received enormous ovations at the World Youth Festival's tribunal in Moscow last Monday evening.

"We do not believe we can change the Soviet policy with this speech, but they will certainly be affected. The event spread like wildfire," said Katarina Larsson, who was invited by the Swedish delegation as an expert on Afghanistan. For 2 years she worked on behalf of the United Nations with women's education in rural areas of Afghanistan.

From The Entire World

Representatives from youth organizations from the entire world met at this 12th festival under the slogan "Anti-Imperialist Solidarity." Sweden was represented by young people from the Center Party, VPK (Left Party Communists), the Swedish church, and the Field Biologists.

On Monday morning Katarina Larsson and other members of the Swedish delegation called together representatives of the international press.

"We wanted them to disseminate the speech in case I was unable to deliver it. They were all willing and there was a fine feeling of togetherness."

The Soviet Union had given permission for the speech to be read, but placed Katarina Larsson toward the end of the program. The other speeches took a long time. The maximum time was 15 minutes, but some delegates spoke for 20 to 50 minutes. Finally it was announced that there would be no time for Katarina Larsson's speech.

Swedish Ultimatum

The head of the Swedish delegation, Jan Bjoringe, then made the following ultimatum: either the speech would be read or the Swedish delegation would go home. After 2.5 hours of negotiations, it was decided that Katarina Larsson could deliver her speech. Her speech was greeted by applause and ovations. It was a tough and critical speech on the Soviet war in Afghanistan. After just over 15 minutes the speech was interrupted. Her time was up.

"During the question-and-answer session that followed, however, I read selected portions from the rest of my speech. In that way, I was able to read most of it," Katarina Larsson said.

Not Translated

But the Soviet interpreters did not translate the criticism of the Soviet Union.

"When I learned that, I jumped up on the podium and announced that the speech had not been translated verbatim. I wanted them to know that."

The Swedish delegation has now delivered a strong protest to the leaders of the youth festival because of the controlled translations. They demand in the protest that the speech be translated and sent to all the participating delegations.

"The Russians were so clumsy. If they had not dragged this out, then the mood would not have been so bitter. When we arrived back at our hotel, we felt we had won a victory," Katarina Larsson said.

The Speech

In official reports from the governments of the Soviet Union and Afghanistan, Afghanistan has been described as a country that, after a successful revolution, has been forced to ask for economic, political, and military assistance from a friendly neighbor, the Soviet Union, in order to protect the advances of the revolution from intrigue and active sabotage on the part of belligerent foreign powers--the United States and its various allies.

According to this analysis, the Afghan people stand behind the government and their Soviet friends and those who oppose them are primarily bandits, assisted by the Americans, the Chinese, and certain Arab countries. The Soviet troops form only a limited contingent and their presence is limited in time.

This view of the situation, however, is contradicted by the facts and disputed by the overwhelming majority of United Nations members.

Sweden, which is the country I represent at this session, stands with the overwhelming majority of United Nations member countries on the issue of Afghanistan and has voted no less than six times at the General Assembly for the removal of foreign, i.e. Soviet, troops from Afghanistan and for the

reestablishment of the sovereignty and neutral status of Afghanistan.

How do the Swedish people view the situation in Afghanistan today?

The war in Afghanistan has now been underway for over 5 years--longer than World War II.

There are now at least 120,000 Soviet soldiers in Afghanistan.

These troops were not invited by the government that was in power at the time of the Soviet invasion in December 1979.

There are no other foreign troops in Afghanistan--neither American, Chinese, nor Arab.

Those who are fighting against the government and against the Soviet troops are Afghans, in villages and mountains throughout the country.

Only limited sections of Afghanistan, primarily the larger cities, airports, and highways are controlled by the Afghan government and the Soviet soldiers.

It is a civil war and the people have suffered from it.

One third of the Afghan people have left their homes and sought refuge elsewhere.

Now the desert is sweeping in over the fields of Afghanistan and threatening to destroy them forever. This is a well-known strategy that the Soviet Union is using in Afghanistan. It is the same strategy that the United States used in Vietnam.

A guerilla force that has the support of the people is difficult to defeat. Thus, the people must be removed.

In order to force the people to leave their homes and abandon their land, villages are bombed, crops are burned, and wells are poisoned.

That is what the United States did in Vietnam.

That is what the Soviet Union is doing in Afghanistan.

The civilian population, mostly women and children, is being bombed into the cities or to refugee camps in Pakistan and Iran.

Every third Afghan, more than 5 million people, is a refugee, either in Afghanistan or in exile.

This is the worst refugee tragedy in our time.

According to the United Nations Commission on Refugees, there are about

4 million refugees from Afghanistan in Pakistan and Iran. Almost three fourths of them are women and children. They come from all 29 provinces of Afghanistan. In some provinces, over half the population has been forced to flee from bombs and hunger and seek safety and nourishment.

When a superpower bombs a poor people back to the Stone Age, it is always with the best of intentions. When the Americans bombed Vietnam it was to protect freedom and democracy against communist tyranny, it was said.

The Soviet Union is bombing Afghanistan to help the Afghan revolution defend itself against fundamentalist tyranny and military sabotage from abroad by reactionary forces, it is said.

If we study these declarations, however, we see that they are totally hollow. There is no revolution to support in Afghanistan. A revolution comes from below and grows out of the people's demands.

The so-called Saur Revolution of 1978 was not a revolution, but a military coup. A group of officers trained by Moscow took power without the participation of the people. The fact that these officers belonged to the Communist Party does not make their coup a revolution if a large majority of the people are against it.

Nor is there a fundamentalist tyranny to combat in Afghanistan--and there never was. Afghanistan is not Iran.

The people of Afghanistan are devout Muslims in a traditional and peaceful way--as long as their faith and their country are not threatened.

It was after the Soviet invasion that the fundamentalist movement began to grow.

To a great extent, the Soviet intervention has created the religious extremism that it presumably is fighting against.

With regard to the military sabotage, there are no foreign troops other than Soviet troops in Afghanistan.

The same applies to all the other fine intentions the Soviet Union is using to make its power politics in Afghanistan more palatable: land reform, literacy programs, and women's emancipation.

A few farmers have received land through the land reform since the Russians arrived, but many times that number have had their fields destroyed and their homes burned.

A few women have learned to read and write since the Russians arrived, but many times that number have seen their husbands die and their children crippled by the Russians.

Social changes must come from the people and must have their roots in the villages, factories, and in the whole society.

Socialism cannot be imposed from the outside with bombs, tanks, and machine guns.

It is the right of every country and every people to find their own solutions to their own problems--in peace and without foreign intervention, especially military intervention. If that right is not respected, then other fundamental human rights will also fail to be respected.

Afghanistan is a case in point.

In 1985 a special report on Afghanistan was submitted by the United Nations Commission on Human Rights that was confirmed by several different sources, such as Amnesty International and monitors of the Helsinki Agreement. The report describes how almost every conceivable crime against human rights is found in Afghanistan in enormous proportions.

Indiscriminate war is combined with the worst excesses in government-supported violence against the civilian population.

The brutal atrocities in the country are combined with terror against the urban population, which is subjected to arbitrary arrest, torture, imprisonment, and execution. The number of public executions has increased dramatically since September 1984.

Totalitarian control is being placed on institutions and the press.

The universities and all aspects of cultural life in Afghanistan are being "Sovietized" systematically.

KHAD, the secret police force organized in 1980 by KGB advisors, is still under close Soviet control.

KHAD organizes and is responsible for the systematic arrest and interrogation, including torture, of people suspected of opposing the government.

KHAD informers are found literally in every office and classroom in Kabul.

In addition to these crimes, there are some others that are practiced by forces supported by the Soviet and Afghan governments. These crimes, too, are against international agreements:

- prisoners of war are murdered;
- medical help is denied, as are other forms of international humanitarian aid;
- medical personnel are attacked and hospitals bombed;
- journalists are attacked.

Some of these measures and other actions by Soviet and Afghan authorities are

intended to prevent international monitoring and inspection.

Swedes and Afghans have at least two fundamental principles in common: national sovereignty and neutrality.

For 150 years Afghanistan conducted a policy of neutrality that has been just as consistent as that of Sweden. That policy has now been interrupted by the Soviet occupation.

When superpowers attack a small country they always have an invitation.

The Americans said they were in Vietnam at the invitation of the South Vietnamese government--a puppet government they had installed themselves.

The Soviet Union claims to be in Afghanistan at the invitation of the Afghan government--a puppet government they themselves have installed.

This is an old trick.

The Soviet Union is an expert at being invited to take power in neighboring countries.

The Soviet troops marched into Afghanistan in 1979. They said they had had no fewer than 17 invitations from the Afghan government.

The same night the Russians invaded Afghanistan they killed the president who supposedly had invited them and installed a new president they had brought with them. It is at the invitation of this man that they are now bombing and burning Afghanistan.

This brutal violence against international law has been condemned by all nations of the world except those that are directly dependent on the Soviet Union.

When the Americans poured their bombs over Vietnam, Swedish Prime Minister Olof Palme, with the support of all political parties in Sweden's parliament, condemned the American aggression in Vietnam.

Here The Interpreter Stopped

Now the Soviet Union is pouring bombs over Afghanistan and Prime Minister Olof Palme, with the support of all political parties in Sweden's parliament, condemns Soviet aggression in Afghanistan.

Here The Speech Was Interrupted

The largest communist party in Sweden, VPK, and many other communist parties in Europe, such as in Norway, Italy, and Spain, condemn the violence of the Soviet Union against Afghanistan.

Every year since 1980 the General Assembly of the United Nations has voted with an overwhelming majority to call for an immediate withdrawal of foreign troops from Afghanistan and stressed the right of the Afghan people to choose their own form of government. In 1984, 119 nations including most countries of the Third World, condemned Soviet aggression in Afghanistan, against 20 votes for the Soviet Union.

The neutral countries have repeatedly and with an overwhelming majority voted to condemn Soviet aggression in Afghanistan.

The Islamic Conference expelled Afghanistan in 1980 after the establishment of the Soviet puppet regime.

The Fourth Islamic Summit Conference in 1984 condemned Soviet aggression in Afghanistan.

Peace is the most urgent of all issues today.

The struggle against nuclear war, global suicide, must be given priority over all other questions.

Peace is the most important issue of our time, just as Vietnam was 15 years ago. Afghanistan must be seen in this perspective.

How can we best serve the cause of peace?

Is it by persisting in silence over the local armed conflicts in Afghanistan and Central America that we create the conditions for detente and peaceful coexistence? Or is it by supporting the opposition to the Soviet Union in Afghanistan and against the United States in Central America in order to deter the superpowers from such intervention?

It would be naive to believe that we could create peace by letting the superpowers do as they please.

Opposition, here as well as elsewhere, is the only language that the superpowers understand.

This is the most important lesson from the Vietnam War. It took us 20 years to discover the war in Vietnam, but then the solidarity movement developed. It contributed in a decisive way to ending the war.

It has taken us a long time to discover the war in Afghanistan, but now the solidarity movement for Afghanistan is becoming stronger and stronger.

Those of us who struggle for peace are not only preparing to oppose future wars.

Fighting for peace also means opposing the wars that are now underway, here and now.

This is why we condemn the Soviet war in Afghanistan.

Our protests will continue to grow in strength until the day the last bombs have dropped, the wheat fields have stopped burning, and the last Soviet soldier has left Afghanistan.

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CSO: 3650/324

POLITICAL

SWEDEN

ADELSOHN'S NEW IMAGE FOR PARTY SEEN JEOPARDIZED IN VOTE LOSS

Stockholm DAGENS NYHETER in Swedish 15 Aug 85 p 9

[Commentary by Sven Svensson]

[Text] During the past 6 months Conservative Party leader Ulf Adelsohn has been particularly consistent on one point. As the self-appointed prime-ministerial candidate for the nonsocialists, in the holy name of nonsocialist unity, he has refused to say a bad word about the Center Party and the Liberal Party. When attacked, he has turned the other cheek in the true Christian spirit.

This is a clear reorientation in Conservative Party style. For a long time, Conservative policy has involved talking about nonsocialist cooperation, but maintaining such a strong profile that it has led to nonsocialist splits.

Back in the 1982 election campaign, knives were stuck in the backs of the Falldin-Ullsten government because of the tax agreement with the Social Democrats, the submarines, and the Baltic Sea dividing line negotiations with the Soviet Union.

Because of the tax agreement, the Conservatives split the second nonsocialist three-party government in 1981. The big mistake with the agreement was that it was actually made with the Social Democrats, for the marginal tax reductions for high-income earners were the largest ever.

Limiting the value of deductions for losses in the tax system could hardly have been a major ideological question for the Conservatives, either. The rightest Schluter government in Denmark has now performed this same operation.

As recently as last fall the Conservative Party secretary Georg Danell said that the Conservatives would not compromise on a single punctuation mark in the party platform before the elections.

Now they are singing a different tune. The change came at the party congress last fall. In his introductory speech on 29 October, Ulf Adelsohn said:

"We Conservatives will shape our policies according to how we believe Sweden

should be governed. Of course, we will do this according to our convictions. But we are well aware that, without a majority of its own, no party can dictate policies. Indeed, this may be impossible even with a majority. Our ability to put forward our views depends primarily on our showing in the elections, but it also depends on our ability to gain the support of the Liberal Party and the Center Party through mutual give and take.

Several factors have contributed to the change in the Conservative Party including, of course, the change in party leader.

The most important fact is that the Swedish right was legitimized as a full-fledged governmental party under Thorbjorn Falldin's term as prime minister, except in the area of foreign and neutrality policy.

Another factor is that the Conservatives, with their 23.6 percent, became the clearly predominant nonsocialist party in the 1982 elections. Now it is possible for the Conservatives to become larger than the Center Party and the Liberal Party combined in the 1985 elections. Conservative Party hegemony could be secured for a long time to come.

The remaining goal for the Conservatives is to take over the prime minister's post in Sweden for the first time since the days of Arvid Lindman and achieve the same status as its fraternal parties in Norway and Denmark under Kare Willoch and Poul Schluter.

In this connection, Ulf Adelsohn is the self-appointed candidate to the prime minister's post. He simply refers to mathematical laws. If the Conservatives are larger than the middle parties, then the Conservatives will occupy the prime minister's position and that is all there is to it.

Torbjorn Falldin has chosen not to argue the point. Demanding the prime minister's position looks too much like personal lust for power, he believes.

Whether or not the Conservative Party reaches its much-coveted goal of appointing a prime minister in a three-party nonsocialist coalition depends on whether the Center Party and Liberal Party can gain the support of the approximately 5 percent of the voters who will change parties across bloc boundaries. This was stressed by Ulf Adelsohn himself at the party congress.

When the Conservatives push their own political demands and come out with cliches about a "change in the system," this favors the Social Democratic campaign machine. The middle parties must often pay the price.

This was the case in 1982 with qualifying days for health insurance. The Conservatives pressed the issue, but the middle parties lost over 1 percent of their supporters over the issue of qualifying days, according to an election survey by Soren Holmberg.

The various public-opinion institutes, especially SIFO (Swedish Institute for Public Opinion Polls), have given the Conservatives high figures. In June the

SIFO figure was 30 percent for the Conservatives, compared to 25 percent in the IMU (Institute for Market Research) survey and 24.3 percent in Semka's August poll for VECKANS AFFARER.

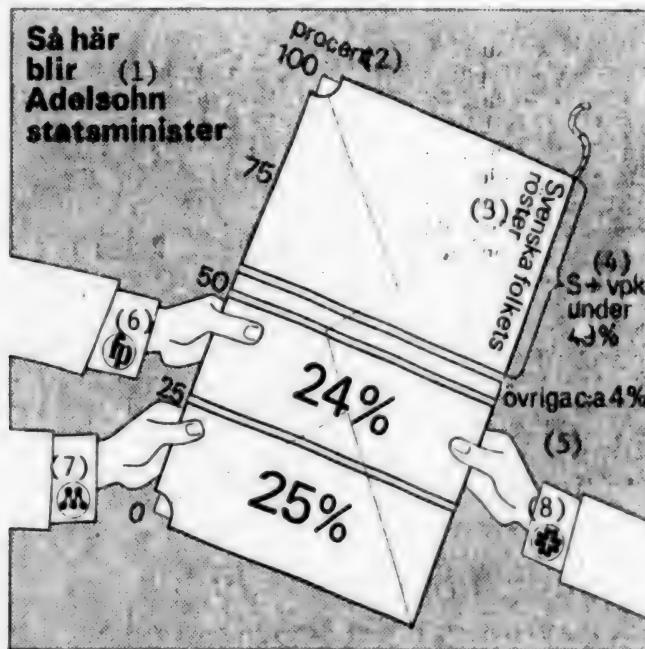
In all the elections in the Nordic countries during the past few years there has been a tendency among many public-opinion institutes to overestimate voter support of the Conservative Parties. In their final election predictions before the last elections, SIFO overestimated the Conservatives' figure by 1.9 percent and IMU overestimated by 0.8 percent.

This year anything can happen by election day. There are more undecided voters than usual, especially within the nonsocialist bloc.

After all the high expectations, election results below 25 percent would mean a catastrophe for Conservative election strategists and for party leader Ulf Adelsohn personally.

Such a result would mean either a socialist majority in parliament or a non-socialist majority in which the middle parties, together with KDS (Christian Democratic Party), would be at least as strong as the Conservatives. The approximate figure required for one of the two blocs to achieve a majority in parliament is 49 percent.

In the former case, the Conservatives would be the scapegoats, since the party's talk about a change in the system will have given ammunition to the Social Democrats in their election campaign. In the latter case, Ulf Adelsohn will see his much-coveted goal of becoming prime minister slip out of his hands. Either result would lead to the demand for a change in course in the Conservatives' election strategy.



The Conservatives need at least 25 percent of the vote if Ulf Adelsohn is to become prime minister. If the middle parties receive a greater percentage, then the prime minister probably will be named Falldin. If the middle parties are too small, however, the prime minister will be named Palme.

Key to figure:

1. How Adelsohn can become prime minister
2. Percent
3. Swedish people's votes
4. Social Democrats plus VPK under 49 percent
5. Others, about 4 percent
6. Liberal Party
7. Conservative Party
8. Center Party

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POLITICAL

SWEDEN

APK WOULD FREE SUPPORTERS TO VOTE FOR SDP INSTEAD OF VPK

Stockholm DAGENS NYHETER in Swedish 16 Aug 85 p 8

[Article by Cecilia Axelsson]

[Text] The Workers' Communist Party (APK) is considering withdrawing from the parliamentary elections and calling on its voters to vote for the Social Democrats. This is the result of strong pressure on the party not to split the socialist vote and thereby contribute to a nonsocialist election victory.

In January the Executive Committee of the party decided that the party would participate in all three elections this fall. When the Executive Committee meets this weekend, however, the question will be discussed again and the probable outcome is that the party will withdraw its candidates from the parliamentary elections. Organizational secretary Dick Emanuelsson told DAGENS NYHETER that the January decision was still in effect, but he confirmed that it probably would be changed this weekend.

"This discussion has come up at all our campaign meetings this spring. Many have been concerned that the nonsocialists could win the elections and Ulf Adelsohn might become prime minister, so they have called on us to withdraw our candidates."

"The mood out in the workplace is also clear. People believe it is most important to prevent a nonsocialist victory, so we must take these views into account."

In the last elections, APK (under the name K-Party) received 5,877 votes or 0.1 percent of all votes in the parliamentary elections. That was just over half the 1979 figure, when the party received 10,725 votes, or 0.2 percent.

Dick Emanuelsson believes that APK would have a difficult time in the parliamentary elections if the party persists in running candidates.

"People are now thinking in terms of right-left than in the 1982 elections. Now people either want to get a right-wing government or stop a right-wing government. This does not favor us, but the Social Democrats."

This spring, APK has held 130 campaign meetings and will begin on Monday to

campaign in earnest. From that day until 15 November, the party will hold campaign meetings every day. The party will concentrate on Skane, Smaland, the west coast, and the coast from Stockholm to Tornedalen. The party will skip such "strongholds" as Alvsborg and Jamtland.

"We took about 20 seats in local governments in the last elections and I believe we can do even better in the local elections this year," organizational secretary Dick Emanuelsson said with the obligatory party optimism.

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POLITICAL

SWEDEN

PALME CRITICIZED FOR TREATMENT OF DEFENSE MINISTERS

Stockholm SVENSKA DAGBLADET in Swedish 3 Aug 85 p 2

[Editorial: "The Thunborg Case"]

[Text] The prime minister's way of dealing with personnel problems is once again meeting with criticism. This time it is a personnel problem of an unusual type. Normally the problem is to find a worthy retreat for a comrade in the government who has not lived up to expectations or who has failed in some other way.

The Thunborg case differs in a decisive manner, for example, from the Rainer affair. The defense minister wants to leave the inner circle around the prime minister after having caused no more damage than keeping his good name intact, even among opponents of the prime minister. Not all Social Democratic cabinet members have that ability.

The prime minister is using up his defense ministers--first Borje Andersson, then Anders Thunborg. The former was honored by being made chairman of a wage-earner fund, while the latter is looking forward to a new international career.

That is certainly humane and understanding, considering the battles that Thunborg has had to fight for a serious defense and security policy during his time in the government. But his stated desire to step down is also a sign of an inherent weakness in the government's method of dealing with the sensitive questions that have ended up on his desk.

The renewed battle over Thunborg's candidacy for the post of United Nations Commissioner on Refugees only makes matters worse for the prime minister. It is not enough that he will lose yet another capable minister, in any event, but if he wins the next elections he will have only a short time to convince some third candidate to sit in the crossfire between the prime minister's international ambitions and the noble attempts by the Foreign Ministry to correct the prime minister's interpretations of Swedish foreign policy--a position that, in the light of the many adventures during recent years, must make particularly high positions abroad look attractive, even for a loyal Social Democrat.

In a commentary on a news article in DAGENS NYHETER, the foreign minister insisted that Thunborg was not an "official" Swedish candidate for the post of refugee commissioner. The question, then, is what he actually is--perhaps a personal candidate? He is official enough, however, for the prime minister to make a personal effort on his behalf in contacts with the Norwegian government.

It seems, however, that Thunborg's personal qualifications for the United Nations position and the prime minister's support will not be enough to bring the Thunborg case to the desired conclusion. It seems, on the contrary, that the Norwegians did not like the manner in which the Swedes presented their case, but became even more firm in their conviction that the Norwegian candidate, who is very much "official," is a better Nordic candidate.

This way of dealing with the matter, including the defense minister's open and enthusiastic ambition, leaves a bad taste. The system of distributing high United Nations positions among nations and blocs is Byzantine and cynical enough without the participation of the Swedes. It is actually an obstacle to the effective operation of the United Nations.

There is one solution, however, that could be a face-saver for those involved. The Swedish United Nations delegation would be strengthened if Thunborg returned to the position of United Nations ambassador. Perhaps the prime minister should ask Anders Ferm?

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POLITICAL

SWEDEN

RESEARCHER SEES LITTLE CHANGE IN DIRECTION AFTER ELECTION

Stockholm SVENSKA DAGBLADET in Swedish 17 Jul 85 p 2

[Editorial: "Change in the System?"]

[Text] There will be no real changes after this fall's elections, regardless of the outcome. This is a (slightly exaggerated) summary of an article published last Monday by Hans Bergstrom.

Bergstrom worked in practical politics during the years of the nonsocialist governments. At that time, he was one of the closest advisers to the Liberal Party leadership. He is now working on a doctoral dissertation on the problems involved in changing policies after a change in government. As a result, Hans Bergstrom speaks with a certain amount of authority on the probable and improbable effects of this fall's elections.

But the apparent conclusion that the changes will not be particularly great, even if the nonsocialist parties should win the elections, is not primarily a cynical reflection. Instead, it is an expression of insight into and understanding of the political process in the modern welfare society.

Thus, the conclusion is not as defeatist as it may appear. There is another side to the coin. Although the short-term changes may be small, they may become larger in the long run.

"The sum of a large number of decisions over a number of years may be expected to lead in different directions with a nonsocialist and with a Social Democratic government," Hans Bergstrom writes.

Of course, this is true.

After an election victory, a nonsocialist government will not discontinue pensions and close hospitals. It will not even tie the public pension system to its present level or stop the local expansion of healthcare. Only gradually would we begin to travel down a new path.

As an example, measures that the Social Democratic government may perhaps have ready to use against private pension insurance would not be implemented. In

addition, the total control over all private healthcare by the county government, resulting from the Dagmar reform, would be ended.

This is the extent of the change in the system that the Conservatives will be able to push through, for reasons outlined by Hans Bergstrom in his article. One of the primary reasons, of course, is that, even in a landslide of voter support, the Conservatives will not take more than about 30 percent of the votes.

This means that the Social Democrats' warning of a fateful election, of the immediate Conservative threat to the welfare state, is thoroughly false. The Conservatives could justifiably say the same thing the Social Democrats said about the wage-earner funds (to the extent that the Social Democrats had the political courage to defend them at all): The people will have ample opportunity to take a position on our policies.

The difference is that the Conservatives have not even the slightest reason to conceal their long-term goals. They want a radical reduction in taxes. They want to proceed systematically to end public monopolies. They want a society in which welfare is produced primarily by individual effort and not by large, tax-financed public programs.

On that score, the Conservatives have no reason to fear opposition from the other nonsocialist parties. After all, these parties must also want a policy that will strengthen private initiative in Swedish society.

After all, the Liberal Party and the Center Party certainly must not be interested in keeping the extreme tax conditions we have in Sweden today. Nor could they want to keep the largest public sector by far in any country in the Western World. If so, then the Center Party and the Liberal Party would be defending a policy that lies far to the left of that supported by practically any democratic socialist on our side of the Iron Curtain.

The problem for the nonsocialists is that the Social Democrats have managed to build up something of a campaign on the Conservative policy of changing the system.

The Social Democrats are raising the threat of an immediate change in the system after the elections.

Of course, people are afraid that our present public system of security will decline dramatically before individual alternatives have time to develop.

For reasons pointed out by Hans Bergstrom, this will not occur. The election is concerned with social developments in the long term. In this perspective, the Conservatives need not fear their own ideas.

In a choice between a larger or smaller public sector, people will choose the smaller public sector. In a choice between more and less room for private

initiative, people will choose the greater room. In a choice between higher and lower taxes, people will choose lower taxes.

Actually, the situation is the same with the change in the system as it is with the fund issue. When the discussion deals with long-term effects, the Social Democrats cannot defend their own policy.

As Hans Bergstrom points out, elections always deal basically with long-term trends in politics.

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POLITICAL

SWEDEN

JOHAN JORGEN HOLST REVIEWS AGRELL'S BOOK ON SWEDISH ATOM BOMB

Stockholm DAGENS NYHETER in Swedish 30 Jul 85 p 4

[Article by Johan Jorgen Holst]

[Text] Neutrality and national independence are the guiding stars of Swedish security policy. In order to live up to the goals, a defense doctrine is required which determines how the military will be modelled. This defense doctrine and its changes since the Second World War are examined by Wilhelm Agrell in his book "Alliansfrihet och atombomber" [Nonalignment and Atom Bombs]. Agrell is most interested in the content of the doctrine itself, but herewith it could be that one loses the political hullabaloo, the tug-of-war, and the conflict of interests which also make up the doctrine, says Johan Jorgen Holst, who reviews the book.

There is a lack of security policy literature in Scandinavia. Most of it are statements of opinion which actually belong to the level of pamphlets. It is also often the case that strong statements of opinion are attired with the surface characteristics of research and are marketed as research. Naturally, there are honorable exceptions where the authors systematically and in all seriousness judge alternative explanations and recommendations.

Such authors do not and must not lack points of view. However, it should be clear when the author draws conclusions and presents his own analysis, and when he judges events or positions on problems at a distance. The reader must be able to follow the author's reasoning and make his own final judgments.

Wilhelm Agrell's book "Nonalignment and Atom Bombs" belongs to the latter category and must be taken seriously. It provides a good insight into the development of Swedish defense doctrine from the end of the Second World War up to 1982. Wilhelm Agrell's book has the goal of describing and analyzing the continuity and changes in the Swedish defense doctrine expressed during the post-war period. He is concerned with the construction of the doctrine as well as in charting the development of the content. Furthermore, he tries to explain the changes which have taken place, especially in connection with

a Swedish nuclear weapons program. He comes to the conclusion that the main principles of the doctrine have remained relatively unchanged, but displacements of the main points have come about. During the period 1957 to 1968 the level of conscientiousness for the military sank. In the meantime, this was an answer to the international development and conceptions on the possibilities of limited war of different types. Agrell says that it mainly was the conceptions of nuclear weapons which led to the lowering of goal orientation. The author mainly uses official reports of Swedish defense and security policy. He admits that it is essential to study other conditions which affect the decision process and the political milieu, but says he lacks enough material for this work. The author is interested in the reasons for the changes which most of all affected the position of nuclear weapons within the Swedish military.

The book is not a final historical overview of Swedish security policy in the postwar period. It is limited to judging the Swedish defense doctrine's development, and therewith mainly goes into the political processes whose product security policy is. Agrell is more interested in the product than in its creation.

This is both a strength and a weakness. It is a strength insofar as making it possible for him to concentrate on the doctrine's content, its assumptions, logical relationship and guidelines. But being so it could be that one loses the political hullabaloo, the tug-of-war, and the conflict of interests which also make up the doctrine. It will be even more doubtful if this doctrine exclusively, or primarily, is treated as a kind of intellectual construction which is drawn like a bow over policy. More likely, it must be seen as a product of policy even if in its design it must provide an impression of inner coherence and logic.

Political System

An exceptional reader would perhaps have chosen to receive a better treatment of the political decision system in which the Supreme Commander is included, and then above all on how this system has developed. This could very well have occurred at the cost of the long and heavy chapter on doctrines and how these function.

It is difficult to see what the author actually implants into the term "doctrine," even if he makes some fruitful and clarifying observations on how the doctrine functions.

Upon continued reading it is wise for the reader to look away from the rhetorical ornamentation and with good common sense try to understand what is meant within defense policy by a "doctrine."

For a Norwegian reader it can seem strange that Swedish researchers and politicians are so interested in foreign and security policy doctrines. Such terms receive little or no place in the Norwegian debate.

Perhaps this interest touches bottom in the neutrality policy demand for predictability. However, it can also be an expression for a kind of intellectual wish to form clarity before a fragmented reality, a tendency to take shelter in formality in order to avoid all the unpleasant and contradictory in the factual environment. The doctrine can contribute toward reducing dependence on an obtrusive reality. In such a way there could be a kind of false adaptation on one's own terms.

In its defense policy, Sweden has adapted to the environment and has only tried to reform it to a small degree. An exception is the negotiations on the Nordic defense alliance at the end of the 1940s. In the balance for north European equilibrium, Sweden has been a linchpin whose role has been predictable. Swedish foreign policy has often aimed toward greater coordination than that which shapes the situation in Scandinavia. A stable defense policy has been combined with an actively pronounced foreign policy.

In our technically complicated time, great insight is required by the political leadership. Good intentions cannot replace good insight. Long-term planning is an important means of guidance, but far from the only one. Sweden has gone further than most countries in developing technicians for planning the military. Apparently one has gone a little too far.

Work on designing alternative impressions of the future as an aid for defense planning seems to me to be overly optimistic as a way to make knowledge from good judgment. These are often very tedious and conventional pictures of the future without linkage with an insightful evaluation of the tendencies which are juggled about in political development. I have also not been convinced that one has the ability or that it is possible, to analytically bind together the descriptions of the future with the concrete measures within the framework of the defense budget.

Wilhelm Agrell sees the planning as an attempt to reduce insecurity. I see it rather as a possible aid to guard against an insecurity which cannot be reduced.

Judgment of alternatives can in principle increase the possibilities to make the design of the military less sensitive in reference to different future conditions. In the meantime, I believe that this technique is better suited when judging the demands which are set by different conflict situations than in the issue of future scenarios in general.

According to my interpretation, Wilhelm Agrell overshoots the target when in his review of long-term planning within the Swedish military, he sees this as an expression of "the radical rationalism's view of the maneuverability of the operation of society." On this point, the discussion seems a bit pasted over and weakens the book's credibility. It is as though the author feels a need to indicate an attitude toward another debate without the reader having enough insight into the debate's assumptions and scope.

Nuclear Weapons

Wilhelm Agrell's main thesis is that the Swedish military already changed its attitude to nuclear weapons in 1959-61 and that to a great extent this was due to a changed attitude on costs for alternatives. The nuclear weapon program also became a threat against the organizational scope and force-related dimensioning of the Air Force. Furthermore, decisions within the framework of the Swedish nuclear power program contributed toward depleting and weakening "the Swedish line." The freedom to operate was actually limited.

All this is plausible. However, it does not leave out other contributing explanations. The opposition to nuclear weapons increased more strongly in political circle, not least of all within the Social Democratic Party. It would be strange if the Supreme Commander and Defense Staff did not try to ascertain the development within the framework of political assumptions.

The international professional and political debate, especially in the United States, also witnessed that the attitude on nuclear weapons had developed. It seems implausible that this debate should not have received a certain response within professional circles in Sweden.

For a Norwegian it is remarkable to maintain that the Norwegian debate on so-called tactical nuclear weapons for the Norwegian military, which was very intensive in the years 1958-61, does not seem to have had an ear in Sweden. The Swedish debate played a certain role in Norway. Norway's standpoint became, as known, a no to the deployment and storage of nuclear weapons. The international debate on test stopages and non-proliferation played a big role in Norway. It seems strange that it would not have played one in Sweden, too.

Closed Process

Throughout Agrell provides a picture of a closed Swedish decision process. It is possible that this picture is correct, but in such a case this distinctive mark is an interesting and remarkable phenomenon. The material does not allow Agrell much more than to set up and make believable the hypotheses. The doctrine becomes too narrow an idea concept when he wants to clarify the cause relationship. However, it is important to remember that many different motives and interests can point in the same direction. In such a case, it is often difficult to unwind the primary reasons and the secondary interests. The motives can vary in different parts of the decision process.

Wilhelm Agrell also provides a scanty analysis of the history of the Viggen project, which does not increase our knowledge beyond what Ingemar Dorfer has provided in significantly more detail. This part of the presentation seems a little encumbered in the book, and only toward the end he explains why he has included the chapter: he wanted to show "how an important doctrine element such as the strategic principle in attacking surface ship operations with attack aircraft could be changed at a very late stage under the pressure of defense industrial conditions." The demonstration is too incomplete for

original work and too long as an illustration.

The book is well written and clear. His way of utilizing sources appears satisfactory, and he has apparently good insights into the development of Swedish defense policy.

All in all, this is a readable work and a valuable contribution to professional literature on security policy in Scandinavia.

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POLITICAL

SWEDEN

BRIEF

LIBYAN DOCTORS RECEIVING TRAINING--Doctors from Libya are to be allowed to undergo special training at Swedish hospitals. This cooperation between Sweden and Libya is a result of the visit paid to Sweden in the spring by the Libyan secretary of social secretary and hosted by Minister of Social Affairs Sten Andersson. About nine Libyan doctors are being considered for the training, which is to last 5-6 years at different hospitals in Sweden.
[Text] [Stockholm Domestic Service in Swedish 2000 GMT 14 Aug 85 LD]

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MILITARY

GREECE

KYP DEPUTY CHIEF APPOINTMENT SEEN AS 'PROVOCATION'

Athens | KATHIMERINI in Greek 14 Aug 85 p 2

/Excerpts/ The ND party urges the government to reconsider the appointment of Air Force Brigadier General F. Makedos as Deputy Chief of the Central Intelligence Service /KYP/. The appointment (reported yesterday by KATHIMERINI) was confirmed by Associate Minister of Defense And. Drosogiannis who explained that the appointment was done "in accordance with established procedures."

ND calls the appointment of Brig. Gen. F. Makedos to the post of KYP deputy chief as an "unacceptable provocation" at a time when "our last support abroad is the Overseas Hellenism and the Greek Americans in the U.S. who wage a desperate struggle under difficult conditions created by the government's irresponsibility."

"Brig. Gen. Makedos, after his insulating report concerning the Greek Americans and the unacceptable views expressed in his report, no longer inspires any confidence and we urge the government to reconsider his appointment to such a sensitive post," the ND statement reads, and goes on to conclude that "KYP is a national agency and not a party outfit needing party hacks in its administration."

Promotions of Brig. Generals

In order to fill vacancies caused by the retirement of Major General D. Matafias and the promotion to Major General of Vas. Mathioudakis, the Supreme Military Council /ASS/ met yesterday and promoted to the rank of major general Brig. Generals Ev. Tsolakis and I. Stavroulakis who were first in line. The ASS will meet again today to promote to brigadier generals two senior colonels.

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CSO: 3521/328

MILITARY

GREECE

RESERVATIONS EXPRESSED IN 'PURCHASE OF THE CENTURY'

Athens POLITIKA THEMATA in Greek 26 Jul - 1 Aug 85 p 18

/Text/ By the time the war is waged in space, Greece will still be paying for the money it borrowed to buy the Mirage 2000 fighter planes. Other planes, much more advanced, will crisscross the skies while the means to shoot them down will be so far ahead that the /Mirage/ planes will be virtually useless. This is the fate of a weapon that constantly undergoes improvement and is out-paced by new types of airplanes and by the unbeatable new field of electronics.

But if this role of the air force applies to the major powers, in the event of a local conflict the role of the national air force will remain very important, primarily in fighting back an air attack.

We now know for certain that in 1973 when the Turks invaded Cyprus, if the Greek air force was organized to the degree it has been improved since, it would have been able at that time to act effectively with considerable possibilities to avert in the end the occupation of the northern part of the island. But the air force, as well as the army, were disorganized under the dictatorship with the result that the junta collapsed when they saw they could not cope with the Turkish invasion nor with the extensive participation of reservists in the army, who were called during that comical mobilization.

The civilian government which succeeded the military, gave high priority to the renewal and modernization of the air force without fanfare, without flamboyant statements and ceremonies.

That was the time when so many aircraft were purchased and so many infrastructure projects (new airfields in the Aegean, auxiliary fields in the eastern islands, underground command and operation centers in the air bases, etc.) were constructed as never before, so Greece became the first air power in the Balkans, with an air force superior even to that of Italy.

The missiles acquired by Greece were modern at the time they were ordered, but they soon became obsolete. It was necessary to re-evaluate and renew the existing equipment and materiel. Instead PASOK announced with great fanfare 3 years ago the "purchase of the century" which only now it proceeds to implement. It is a purchase of questionable military utility since the

modernization of the Mirage requires at least radar with full look-down capability.

A few years ago the Air Force General Staff had recommended the gradual replacement of approximately 150 aircraft of the F-5 and F-104 types as too old. PASOK, through Air Force General Kouris, decided to buy 100-130 F-18's, Tornado's, F-16's or Mirage 2000's. The opinion of the pilots favored the F-18 as the only way to neutralize the order of 160 F-16's by Turkey.

We must note here that the F-18 is the most modern and successful aircraft of twin mission (fighter-bomber and interceptor) and is the main tactical aircraft for the U. S., Australia, Canada, and Spain.

But the PASOK decision makers, apparently tying the purchase to other political reasons in addition to those relating purely to defense, went ahead with the signing of the agreement of the century. And as though this were not enough, they eliminated from the order the requirement for a twin mission for the new fighters (limiting them only to interceptors) with the result that they are now inferior to those ordered by Turkey.

The Air Force General Staff chief said: "We are entering a new era of modern weapons' systems and also a new technological epoch. These systems are not only capable of fulfilling their mission, they are also taking us into a new epoch of very advanced technology, and we must face up to its requirements. This is a challenge our air force must accept and face up to."

Thus, with the virtually continuous strengthening of the Turkish air force with new aircraft, we reach a shift in our superiority since Turkey, now having 500 fighters (of twin mission) compared to 250 of ours, also continues to improve its defensive capabilities and command and control systems. The missile defense of its major air bases almost makes impossible the attack of its western airfields.

Those who know the needs of our air force argue that with the same funds we are going to expend for the purchase of the century, that is, the 80 aircraft, of which 40 are single mission, Greece could have purchased 120 F-16's.

In the Chamber of Deputies /Vouli/

This purchase of the century must be fully clarified during a special debate in the Vouli. Let no one claim that this is tied to national secrets: The international practice in the case of such a purchase is such that all major data (types, equipment, additional means of the purchased aircraft, etc.) are known to the potential opponents.

But beyond informing the Vouli on the purchase, there must be clarification on another "obscure" point. Is it true that Westinghouse, the manufacturer of the F-16 radar, has refused to give Greece the electronic equipment, invoking security reasons? Such fears had already been expressed by POLITIKA THEMATA in the last issue when it posed the question: Is Greece a country of reduced allied confidence?

MILITARY

GREECE

ND RAISES QUESTION OF BULGARIAN MISSILES

Athens AKROPOLIS in Greek 3 Aug 85 p 8

/Text/ In spite of assurances to the contrary, Bulgaria has in place various types of missiles such as SCUDS of 300-kilometer range and FROGS of 75-kilometer range.

This was revealed yesterday in a formal interpolation submitted to the Vouli by ND Deputy Mikh. Papakonstandinou. The full text of the question which is addressed to the minister of national defense is as follows:

"During the recent visit to Athens of Bulgarian President Zhivkou the question of missile-free Balkans was again discussed--of course without any practical result because of Turkey's negative stand.

"Irrespective of the purely propagandistic and theoretical nature of the discussion, since missiles can harm all Balkan countries--those with or without missiles--from locations outside the Balkan peninsula, existing reports affirm the existence of missiles on Bulgarian soil such as SCUDS and FROGS, in spite of official assurances to the contrary.

"Moreover, President Zhivkou, although declaring his desire for a missile-free Balkan zone, did not hesitate to greet with satisfaction the installation of SS21 and SS24 missiles in East Germany and Czechoslovakia.

"On the other hand, neighboring Turkey officially declares that it has no intention of joining in a missile-free zone and it will keep the missiles it has or will replace them with new ones.

"In view of the above, the minister of national defense is hereby requested to inform the Vouli how he understands our national defense without missiles, at a time when our neighbors have or do not rule out the installation of missiles on their soil in the future?"

7520
CSO: 3521/328

MILITARY

NORWAY

SOVIET SHIPS ANCHORED ILLEGALLY IN WATERS ORDERED OUT

Believed Part of Exercise

Oslo AFTENPOSTEN in Norwegian 27 Jul 85 p 9

[Article by Liv Hegna]

[Text] The six Soviet commercial vessels that illegally sailed into Tanafjorden are identical with the group of nonmilitary vessels that participated in the recent Soviet naval exercises in the North Sea and the North Atlantic. The commander of naval forces in South Norway, Rear Adm Rolf E. Pedersen, confirmed this for AFTENPOSTEN. Pedersen said that the group of vessels had been under observation during the entire time it had sailed northward to the Murmansk region.

The six vessels, including a tug, a tanker, and four large cargo ships, announced at 1200 Friday that they were seeking a harbor of refuge in Tanafjorden. The announcement was made to the harbor master in Vardo, who immediately turned the matter over to the police. The interim police chief of Vardo, Margen Rynning, told AFTENPOSTEN that the report came from the Russian vessel Sevastopol via Vardo Radio. "At 1445 we announced that permission to drop anchor had not been given. At the same time, we ordered them to leave Norwegian waters. Vardo Radio then reported that the ships claimed they had taken on some water. We found this strange because there had been no bad weather here in Vardo. Nevertheless, we requested that the patrol boat Polarvakt inspect the vessels," Rynning said. He added that the Polarvakt arrived at the Russian ships at 1800 on Friday evening and reported back that all the vessels had functioning engines, including the motorboats that were on the decks of the commercial ships.

Berlevag Airport also reported that at 1730 on Friday the wind velocity was 4 knots, which is extremely weak. There were small waves in the area, but there were also some swells. Visibility was 10 km or more.

"Because of these weather observations and the fact that large vessels of 2 to 3 thousand tons were involved, we found no reason to postpone a decision on turning away the intruders," Rynning said. He said that on Friday evening they slowly sailed out of the fjord and were located between Kvitnes and Tyfjordneset at about 1900.

Rynning said that the vessels probably were sailing toward Murmansk.

The regulations on foreign, nonmilitary vessels that claim to be in distress at sea indicate that they must announce their arrival in the quickest possible manner to the Norwegian port authorities or the police. In this case, no reason for the application for permission to anchor in Tanafjorden was given by the ships before they were ordered out of Norwegian waters. It is routine in such cases for the navy to be called to inspect the ships.

AFTENPOSTEN has learned that it is common for Soviet ships to seek permission to use internal waterways, ostensibly because the vessels cannot tolerate heavy open seas. These applications are just as routinely denied.

Admiral Comments on Incident

Oslo AFTENPOSTEN in Norwegian 30 Jul 85 p 25

[Article by Liv Hegna]

[Text] "In the past few years there have been far fewer cases of illegal sailing into the inner waterways of Norway. The reason is that the navy has become more vigilant and is carefully following vessels that sail in toward land. If foreign vessels claim to be in distress, they are quickly checked. This is done by a coast guard vessel or a ship belonging to the Norwegian navy." This was stated to AFTENPOSTEN by the commander of naval forces in South Norway, Rear Adm Rolf E. Pedersen.

Admiral Pedersen said it was highly likely that the threat of a military escort for foreign vessels in inner Norwegian waters kept such ships away. He stressed that, as a matter of course, vessels that are in real distress are well received. This is required by good seamanship in general and, of course, by international agreements. What bothers the Norwegian authorities is foreign ships that anchor in Norwegian fjords without any real reason.

"One might well ask if it is reasonable for the Soviet Union to send commercial vessels between the Baltic Sea and Murmansk that can tolerate no more than moderate weather before they must seek refuge."

"Of course we must question the seaworthiness of vessels that often claim to be in distress, such as the Sevastopol. We also wonder why the motor boats that are on deck cannot go up Kvitsjoveien under their own power," Pedersen said.

The air force commander for North Norway, Maj Gen Olaf Aamodt, told AFTENPOSTEN that neither satellite surveillance nor surveillance by NATO AWACS planes could help in cases of commercial vessels entering inner waters and claiming force majeure.

"There are actually some situations in which we are helpless," Aamodt said. "If there had been a crisis between our countries, then the situation would have been different. In that case, the military would have acted differently."

Senior staff officer at the Military Command for North Norway Capt Thor Johansen told AFTENPOSTEN that the level of preparedness in North Norway had not been raised because of the Sevastopol incident in Tanafjorden. This same vessel intruded into Norwegian waters in 1978. At that time, there were at least five violations by Soviet ships, all during July.



The group of Soviet ships leaving Tanafjorden yesterday evening, after being denied refuge.

9336
CSO: 3639/145

MILITARY

SWEDEN

REPORT PROPOSES EXTENDING MILITARY TRAINING TO SCHOOLS

Stockholm DAGENS NYHETER in Swedish 31 Jul 85 p 2

[Article by Per Gariesson]

[Text] Now the Swede will learn to understand and appreciate Sweden's defense force. Already in elementary school students will receive increased knowledge in Swedish defense and security policy. The military training will be given the same status as a university course with credits for the training one has completed. The soldiers will even be able to share teachers and course books with the students.

This is the content of the state draft board committee's report which was submitted to Defense Minister Anders Thunborg today, Wednesday.

The study has taken a large grasp: they want to increase the motivation and understanding for the defense and provide the military training a higher general status. The committee's chairman, Roland Brannstrom (s), says:

"The state goal for conscript training must be expressed more clearly. Already in school a person must receive basic knowledge on our defense and security policy."

The Committee proposes cooperation between colleges and military training facilities. Certain parts of the military officer training is so similar to the college course plan that one should be able to utilize the same teachers and course material.

Merit Credits

At the same time the career officers receive a more comprehensive training, it is suggested that the conscripted officers receive the right to merit credits corresponding to course credits at colleges. Merit credits which can then be used in applying to higher studies. The conscript will also be able to be counted as life experience upon applying to colleges and state service.

After basic training the conscript will receive a certificate in the subjects he has had. Education experts are now examining a way to institute some kind of degree for military training.

"There could be parts of college training where one has an advantage in cooperating with military training. However, the details are something we must take a stand on when the proposal comes to us," says Education Minister Lena Hjelm-Wallen.

In order to additionally increase motivation for conscription, the committee proposes information campaigns with schools and employers on Swedish security policy. Conscription shall be seen as an integrated part of Swedish society life.

Three Bullets

The state draft board committee presented a proposal a year ago on rationalizing the Swedish military. With a reorganization to three course groups per year instead of the current two, there is the possibility to disband some fifteen units.

[DAGENS NYHETER] Is the new proposal an additional way to save money through suggesting cooperation with the colleges?

[Answer] "No, cooperation already exists between the military and civilian training," says the military commander for Upper Norrland, Bengt Gustavsson. "The University of Umea conducts training for different groups within the military. I believe that a merit evaluation system for the conscripted officers is a positive idea. It will function like a carrot and a kind of reward for the hard training they really go through."

[DAGENS NYHETER] Will the effectiveness of the military maneuvers be increased through the reform?

[Answer] "The individual soldier will perhaps not experience the maneuvers as effective, but this is because one mainly practices cooperative training among the different units."

Fewer Cancellations

Fewer cancellations must be allowed for repetitive maneuvers, say the authors. The large military maneuvers in Norrland last spring received a lot of criticism also because so many of those called up managed to avoid coming. Now the committee proposes a tightening of the rules for cancellation.

An employer must not only explain why an employee cannot come to a maneuver, but also explain in what way the employer has tried to solve the problem with reserve capacity in such situations. The military will also send out a prewarning on call-ups to the employee 15 months in advance.

The schools will also receive demands to function more smoothly. A student will not need to find himself in a situation where he misses his education for the sake of a reserve month. Possibilities will be provided to take tests after the maneuvers, courses shall be rearranged so that the student can take them later.

The report provides proposals for solutions to some practical issues, such as coordination between the end of the school term and the beginning of military service, and this must be carried out within a half year. In contrast, the proposal for training will take a longer time to carry out. For this a change in the conscription law is required, which can take up to two years.

The authors will issue a couple of reports during the fall: one on non-military service, which apparently does not function well, and one on deferment from military service.

The draft board committee is established by Parliament. This means that the rest of the process will mostly be a formal issue, even if the report will be sent out for consideration. So until 1987 it should be ready for operation, or at least in some parts.

12562

CSO: 3650/303

ECONOMIC

DENMARK

PAPER EXAMINES TRADE BALANCE IN LIGHT OF DOLLAR, INTEREST RATE

Copenhagen BERLINGSKE TIDENDE in Danish 15 Jul 85 p 8

[Editorial: "The Krone and the Dollar"]

[Text] A little country with a large foreign trade naturally is very dependent on the economy of the larger countries. When the little country also has an enormous foreign debt, the country also becomes dependent on the rate of exchange of the currency of the countries from which the money has been borrowed. And the currency exchange is influenced among other things by the interest rate which is charged by those who have spare money to loan.

For many years, the United States has had a high rate of interest. This is caused, first, by the fact that the American national budget shows a large deficit. Second, the United States has had a high rate of inflation. In order to obtain money to cover the deficit, the United States presently is borrowing about one-seventh of all of the rest of the world's savings.

The high American interest rate has been exceedingly irritating for the rest of the Western world. The underdeveloped countries' debt burden is made heavier by the high American interest rate and the high dollar exchange rate. To some extent, Western European countries have been forced to follow the American interest rate upward in order to be able to retain capital. The result has been lower economic growth with fewer investments and a significant amount of unemployment. On countless occasions, Western European leaders and the International Monetary Fund have attempted to force the United States to lower its national deficit so that the American interest rate could be lowered.

As a little country with a large foreign debt, Denmark is particularly dependent on the dollar exchange rate and the level of the American interest rate. Nearly half of our foreign debt is in dollars simply because the dollar is the currency in which we can obtain loans. This is the background for National Bank director Erik Hoffmeyer's statement to BERLINGSKE TIDENDE on Friday when he asserted that the Danish interest rate must follow the American rate--that is to say, the dollar interest rate.

The American interest rate has been falling throughout the most recent half year. Inflation has been going in the same direction. The outlook for the future points in the direction of a continued decline in interest rates. Political negotiations are taking place at the moment concerning the American national budget for the coming year, and increasingly stronger forces are pressing to bring the deficit down. Economic activity in the United States has shown only modest growth during recent times, and an interest rate decline could be that which gets the wheels humming faster.

With the large foreign debt, Denmark's independence--as far as concerns money policies--is exceedingly limited. It is fortunate, therefore, that the international barometer points to a continued decline in interest rates. This will contribute to the greatest production and employment in the business community, and thereby, to a revival of the Danish economy. The decline in the interest rate last week was a step in the right direction.

12578

CSO: 3613/172

ECONOMIC

ITALY

CONCLUSIONS OF BANK OF ITALY REPORT ON ECONOMY

Rome RASSEGNA SINDACALE in Italian 7 Jun 85 pp 43-46

[Article: "Governor Ciampi's Report"]

[Text] Rome 31 May 1985--We are publishing sections from the text of the year-end report by the Bank of Italy's governor, Carlo Azeglio Ciampi. These sections deal with "the drop in inflation and the recovery of productivity in Italy: progress and difficulties" and "ways toward growth and employment."

The drop in Inflation and the Recovery of Production in Italy: Progress and Difficulties.

When we described the condition of the Italian economy last year we said that the recovery of price stability and the return to balanced growth faced no obstacles that determined action and bold planning could not overcome.

At that time, the economy was showing the effects of a combination of actions and measures that had been taken in the various areas in which economic policy is formed. Subsequent events have shown initially good and promising results, and the subsequent emergence of new difficulties confirms the soundness of that judgment and induces me to reiterate it.

A rigorous monetary and currency exchange policy has been supplemented by an incomes policy, which has been implemented by setting wage growth guidelines and encouraging respect for them in the January 1983 memorandum of understanding and the provisions of February 1984. It has been supplemented also by measures restricting the growth of the budget deficit and by gradual increases in administrative fees.

This combination of actions changed operators' expectations despite the appreciation of the dollar and made it possible to couple a definite downturn in inflation to a recovery of production and investment. However, as early as in autumn, budget and incomes policy ran into trouble, losing continuity and effectiveness even though investment expansion had become more vigorous. Monetary policy restraints remained

in force and were reflected by higher nominal and real interest rates. The slowdown in activity regulating demand and costs coincided with a halt to the drop in inflation and with a worsening of the balance of payments deficit.

On the average, 1984 consumption reflects the fact that the aforementioned positive aspects prevailed for most of the year. The danger of inflation was substantially reduced. Consumer prices rose 10.8 percent, 4 points less than the previous year. The difference relative to other countries of the European Economic Community was reduced to 5 percentage points from 8 in 1983. After 11 years of double-digit inflation the rate of growth of the cost of living dropped below 9 percent in autumn. The real gross domestic product grew by 2.6 percent. Thus ended the stagnant phase begun in 1980.

An 8 percent labor productivity increase in industry, exceptional even for an early upcycle phase, has largely made up for the 13.7 percent increase in the cost of labor per employee and has held the increase in the unit-product cost of labor to 5.3 percent. Since other goods and services for production have gone up 11.7 percent in price, the growth in general industrial costs per unit product has been 8.8 percent.

A climate of greater certainty has been created by the action of economic policy, the continuity of monetary control, lower inflation, the stability of the lira in the EMS [European Monetary System], the recovery of profit margins, and the need to proceed with the restructuring of the production system. This has stimulated a 4.1 percent growth of net fixed investment. The growth of investment in machinery and equipment has exceeded 10 percent and largely made up for the decline that began in 1981.

The growth of income and investment has been accompanied by an increase in employment of 60,000 units. While this increase is not enough to absorb the influx into the labor force, it means there is a potential for creating jobs in the service sector while job opportunities are declining in agriculture and industry. The increase in the labor force drove the number of unemployed up by 128,000 units, approaching 2.4 million, and almost half of the newly unemployed were looking for a first job.

If the achieved improvement in incomes and prices were to be consolidated and maintained in internationally stable conditions, it would have been necessary to take further measures in the course of the year, measures that would have extended cost controls and prevented renewed pressures on the budget.

As it happened, the application of incomes policy encountered increasing difficulties. While gross wages per worker in the private sector increased equally with prices, the real wages of civil servants rose 2.3 percent. Also, the provisions broadening the taxable base for incomes of corporations and self-employed labor took effect only at the end of the year.

The action taken to increase income and reduce expenditures has only slowed the worsening trend in the national budget. The Treasury's budget for the entire fiscal year, i.e. the total monthly cash available, was 95.35 billion lire. This is a point lower than in the previous year as a percentage of the gross domestic product [GDP]. However, the net public sector indebtedness rose from 13.9 to 14.7 percent of the GDP. This indebtedness is the difference between revenues and unfinanced expenditures, which most directly influence the demand for goods and services. The percentage increase is reduced but not canceled out if interest payments are excluded from the calculation.

In the second quarter the push from fixed investments was only partly offset by lesser consumption and by inventory increases. The upward trend of domestic demand was strengthened, with attendant repercussions on foreign trade accounts.

The importation of goods and services was especially affected. Import volume was static in 1983 but increased 9.6 percent in 1984, mainly because of greater acquisitions of investment and intermediary goods. The value of imports in lire was skewed higher by the increase in the value of the dollar. But even exports began to slow down by midyear. Although they showed a volume growth of 7 percent over a 12-month period, they benefited little from the growth in world demand. The gains on the U.S. market offset, although not completely, the losses in EEC countries. On top of this was the worsening of the trade balance with North African and East European countries, due largely to difficulties not attributable to competitive pricing.

The experience of 1984 again highlights the structural deficiencies afflicting our foreign trade, and I will have more to say about that. Also, as a result of disappointing tourist season, the current balance of payments again shows a deficit; it has registered a modest gain in 1983 and thus interrupted a series of large deficits incurred in the 3 previous years. The deficit was 5.2 billion lire, with a noticeable worsening in the second quarter.

In the context described, money and credit controls at first benefited from the application of the incomes and budget policy. This was made more difficult when the effectiveness of these policies was reduced.

In the early months of 1984, lower inflation and improved expectations made it possible to reduce the discount rate twice, in February and in early May, and thus support the decline in nominal interest rates.

In late spring, total credit showed signs of increasing. Banks expanded credit supply by borrowing on foreign markets. At the beginning of September, a corrective move was decided upon. The discount rate was raised a point and bank liquidity was significantly reduced. The interest rates on bank loans responded quickly. The increase in yields on 6 month-BOT's [treasury bills] and the first coupon on CCT's [expansion unknown] strengthened the demand for treasury issues. At the same time it was noted that real economic growth was exceeding forecasts, especially in investment, and the CIPE [Interministerial Committee for Economic Planning] approved a 2-point increase in the financing the year's planned expansion of the production system.

This move had the effect of braking the growth of credit to the economy. In autumn, inflation continued to fall, and the nominal interest rates on government bonds again took a downturn. These trends plus the approval of the budget and the passage of tax laws made it possible on 3 January to reduce the discount rate to 15.5 percent.

Interest rates on government bonds generally lagged behind inflation throughout the year, but the delay that was made up in the early months of 1985. From the beginning of 1984 to the present, BOT yields dropped 3 points and CCT's, calculated on the basis of the initial installment, declined about 5 points. In the same period, the nominal rate on bank loans decreased by about 2 points.

As for the combined money and credit supply, their annualized value did not vary much from the targets set in September. Corrected for the variations in mandatory reserve and for incidental movements in the closing days of the year, the monetary base increased by 11.4 percent, 2 points less than in 1983. The money supply, not counting certificates of deposit, expanded similarly. Financing of the system of production grew 15 percent and total domestic credit, 19 percent. Under pressure from the national budget, financial activity increased 7 points over the GDP.

The new year brought accelerated growth in the national budget. The provisions of the referendum on the points of the wage indexation scale increased the uncertainty about the future of industrial relations, costs and prices. The balance of trade tended to worsen.

The lira's exchange rate in the EMS had been supported throughout 1984 by increased confidence in the Italian economy and was strengthened by the differential in nominal interest rates, so much so that it was traded appreciably for German marks. However, the lira slumped after mid-February. The trend was heightened by the rise of the dollar on the main markets. The situation stabilized in April. The economy's price competitiveness, calculated in real exchange terms, dropped 2 percent from the EMS situation after the realignment of March 1983 and increased 1 percent in comparison to the other major OECD [Organization for Economic Cooperation and Development] countries.

Financing of the production system in the first 6 weeks began to grow more slowly in late 1984, in line with the objectives for 1985. But the growth of the national budget caused a rise in total domestic credit and a speedup of government financial activity. The Treasury brought more pressure to bear on expanding the money supply. In the first 6-week period, the money supply, again not including certificates of deposit, increased at an annual rate of 15 percent.

In January and February, when uncertainty had not yet had a negative effect on operators' expectations, the short-term effects of tax reform concentrated the demand for government bonds on the primary market. This eliminated, as a part of its objectives, the incentive for businesses to acquire bonds by going into debt, but its immediate effect was to undercut the large sale of government bonds normally made by banks in

the early months of the year for the benefit of their own portfolios. When the CCT's were issued in January and February, the widespread expectancy of splits caused a largely imaginary excess demand over what was being offered. This gave a fleeting sensation that interest rates might drop even further. In March, the demand for bonds dropped sharply while the budget deficit continued to grow. The Treasury's cash margin was completely used up.

In April it became necessary to increase bond yields even further in order to sustain demand and slow down the expansion of the money supply through the Treasury. The resurgence of bond rates was not accompanied by a similar rise in bank interest rates. The increasing difference in yields between government bonds and bank rates helped correct the divergence of the money supply from the path that had been planned.

All the data presently available on the state of the economy reveals a situation that is worrisome in many ways. In the first 4 months, the national budget stood at about 37 trillion lire, 9 trillion more than in the same period last year. This trend is incompatible with the objectives for 1985. In the first quarter, the balance of trade ran a deficit of more than 8 billion lire, double that of the same period a year ago. Similar indications are given by data on the foreign exchange balance up to April. Domestic demand is expanding faster than in the major competing countries. Inflation as measured by consumer prices has not slowed down in more than 6 months. Wholesale prices have been rising since the beginning of the year.

Monetary policy has been applied to limit the repercussions of the prevailing imbalances. A reinvigoration of incomes policy and prompt budget measures are necessary if we are to remove the elements causing general economic deterioration and thus return to a climate of confidence.

Towards Growth and Jobs

The gathering clouds show even more clearly the close connection between cyclical difficulties and structural problems in our economy. This leads us to reexamine the long-term problems raised last year in this assembly and to ask what conditions are needed to conserve the progress achieved and to strengthen the productive system, which are premises for sustained and balanced growth.

Analyses made by various groups have confirmed the serious risks involved in the increasing unemployment built into demographic trends and in the composition of the supply and demand for labor. The rate of national unemployment, disregarding wage supplements, stands at 10.4 percent and rises to 14 percent in the South. Three-fourths of the unemployed are younger than 30. Forecasts extending to the next decade, when demographic growth will slow down, show a labor supply increasing by 150,000-200,000 units a year with the growth concentrated in the South. The Southern question again emerges as the decisive obstacle to civil and economic progress for all of Italian society.

The obstacles as well as the potential for return to stable development shows up most directly in foreign accounts and capital accumulation.

The international opening has widened in recent years, offers opportunities for more efficient use of resources and better supply. These opportunities can be seized by making positive use of stimuli from foreign trade. On the other hand, under present domestic and foreign conditions, economic and financial relationships with the rest of the world are closely tied to growth in many ways.

In the last 5 years, foreign debt has risen to 29 trillion lire in order to finance staggering current deficits. At the end of 1984, Italy's financial position, excluding gold reserves, was \$23.5 billion in the red. In the present foreign deficit situation, limited current deficits can be accepted and financed by capital inflow provided it is temporary and corresponding investments are made to increase the competitiveness and capacity of production.

The medium-term expansion of the international economy will not alone slow down Italy's current growth. Between now and 1990, international organizations forecast that the industrialized countries' average annual GDP growth will not exceed 3 percent and world trade, 5 percent. Inflation should amount to 4 percent.

The technological characteristics of the production system and the private sector's propensity for saving do not preclude the possibility that the Italian economy will achieve higher growth rates than other countries'. However, the forces generating inflation and determining the present values of foreign trade are forcing the economy into a growth trend that is too low to reduce unemployment.

If, for the next 5 years, it is assumed that exports increase in quantity at rates equal to world demand, that the exchange rate remains unchanged, and that elasticity between imports and income equals that observed in the medium term, then a GDP growth compatible with the current budget will total about 2.5 percent a year. With a 2 percent productivity growth, labor supply will increasingly exceed demand, and the surplus will total about 3 million people by 1990.

The scenario described falls within present budget limits but confirms the need to change the parameters of our economy, beginning with foreign trade.

There are structural components in the trade deficit, and they are due to insufficiencies in entire productive areas. The cost of imports is still large in agriculture, foodstuffs and, especially, energy.

Large and persistent deficits also persisting in specific branches could be made up for in other trade areas. What is ultimately important for an economic system is the capacity to produce efficiently and to specialize in activities that make use of comparative advantages and available resources. Manufacturing profits have also increased in real terms, but not enough.

In the last 5 years, the real exchange rate of the lira as measured by wholesale manufacturing prices has oscillated modestly at a substantially constant level. Sizable depreciation of the nominal exchange rate would have worsened inflation and delayed even further the renewal of production and the search for cost savings. It would have opened up business prospects abroad that would have proved to be only temporary. Yielding now to lax management of the exchange rate would renew inflation and risk halting the progress that is being made.

In various sectors, including the mechanical and textile industries, Italian industry has made gains in market shares. This has been made possible by innovations in production and by higher product quality. However, the industrial system is oriented mainly toward export goods keyed to growth rates in world demand and relatively low in technological content.

New kinds of production have required more extensive use of partial finishing abroad, but the most worrisome fact is the growing importation not only of finished goods but of investment.

Domestic supply is still limited in filling demand for a full range of products, so much so that in the 1978-80 investment cycle the manufacturing industry achieved its necessary modernization through automation and new technologies. Existing machinery was largely replaced by more efficient and flexible capital goods because it had been made obsolete early by the rapid pace of technological progress. Innovation has caused a general decline in the need for both labor and capital; it also has favored the formation of a more varied productive structure in which the most versatile businesses are coming to the fore.

Restructuring has been accompanied by a corresponding improvement in the capital and financial condition of business, which have been able to increase their operating margins and develop risk capital. The relationship between net capital and technical plant has improved. The amount of indebtedness has been reduced. Public insurance has supported business reform though this has worsened the national budget deficit, and its further use may now have to be evaluated and apportioned with more attention to the purposes of growth.

Renewal will have to turn even more toward producing exports of high demand elasticity and low price elasticity or else exports that take the place of imports. In the present phase, the tendency to import has also been increased by the cost necessary to acquire and develop technologies and to enlarge market outlets. Leaving this task incomplete would amount to abandoning the profits, in terms of lasting export capacity, that have justified the cost of development.

The sector exposed to international competition is not the only one that needs to invest in restructuring. Interaction between industry and services require that an effort to contain costs and prices and to improve supply be made especially by the sectors that produce for domestic demand and for industry itself, as well as public administration and large parts of the tertiary sector. Employment opportunities may prove more prevalent in the tertiary sector if it is made more efficient and oriented toward a new type of service.

The way to create employment is to accumulate capital and to have more flexible labor relations. Savings will have to be increased for the whole economy, and the place to begin is by reducing negative savings in the public sector. Only in that way can the necessary volume of investment be sustained for the time it will take to complete the phase of innovation in plants and means of production and to increase productive capacity.

The changes following the second oil crisis show that the economy can rely on its own energies for reform and growth. But since inflation and unemployment are present, the response of the production system must be joined by a rebalancing of public financing, a renegotiation of the dynamic of incomes, an institutional restructuring of the labor market and a new effort on behalf of the South.

Limiting current public expenditures would increase opportunity for action in other areas than infrastructure, research, innovation, and vocational and technical training, which are essential for employment. Industrial policy will have to do more to create conditions that sustain business productivity and technical progress rather than protect declining industries. In particular, this policy can help improve the relationship between imported and domestic technology. The application of law No. 46 of 1982 for applied research and innovation show that there is no lack of initiatives. This aid must be enabled to help small industry and the South.

The quantitative hypotheses drawn up by various groups for public finance reform have so far had little effect. The action they prescribe for good government is vast. The need for it has been widely discussed. After a decade of heavy deficits, it is indispensable. In recent days, the Treasury ministry has further redefined and clarified the goals that it is setting in its strategy to balance the national budget and reduce the debt. As a first step it is important that current budget deficits be made up; thus the starting data for the multi-year strategy will not be distorted.

The growth of expenditures must be corrected to eliminate the net interest deficit. If this correction is to have a lasting effect, it must be accompanied by reform of the sectors generating the major deficits, such as insurance, local financing and health. Of these sectors, some show serious financial weakness, which will prove incompatible with the stability of the economy as a whole. Others show qualitative shortcomings in service that, by their nature and prevalence, can be attributed to improper organization and administration.

A further reform is strengthening the institutional rules and conditions that preside over the economic compatibility of budget decision-making procedures. Significant progress may come from amending the principle stated in article 81 of the constitution according to directions that have emerged from the work of the Commission for Institutional Reform. The Commission proposes the principle of a balanced budget, the requirement that any law be accompanied by a report from a technical agency

quantifying the appropriations, increased power to the Court of Accounts, and approval by a more than a majority of appropriations bills sent from the head of state to the parliament when they conflict with the previously mentioned constitutional rule.

In the transition phase, civil service salaries must be adjusted according to government wage-scale indexes for the economy as a whole. If this lead is followed, the tax burden will be shared more equitably and a wide-ranging incomes policy will be founded. Taken together, these measures will combat inflation and unemployment. A society truly concerned with the problem of unemployment ought to subordinate all other economic interests to creating jobs.

The experience of 1984 confirms that regulating nominal incomes can diminish the push on prices and defend competitiveness, safeguarding employment without sacrificing real wages. Appropriate tax or non-tax measures are causing profits from productivity gains to be invested in capital formation in order to increase employment opportunities.

Only recently have regulations begun to enable the modified provisions to bring the labor supply into line with the flexibility required by technological change. Innovations may involve part-time work, worker mobility, and incentives for modernization and retraining. This is the motivation behind the employment plan proposed by the Labor ministry. Above all it must deal with the problem of the automatic mechanism for updating and diversifying wage levels if it is to achieve its objectives.

Balancing the budget is indispensable also for a renewal attack on the economic structures, ancient and modern, of the South.

In the last 30 years, the Southern economy has experienced unprecedented change and growth. The results are summed up by the product value per inhabitant, which has tripled: relative to the rest of the country it rose from 51 percent in 1960 to 62 percent in 1973. At that point, the recovery was interrupted.

It is out of the question that the socially disruptive problem of unemployment in the South can be resolved by renewed mass emigration.

Economic initiatives and job creation are discouraged because productivity lags behind that of the Center-North. The disparity is being alleviated somewhat by a reduction in welfare costs; the remainder is translated into wage differentials or higher unemployment.

But government action is required especially to eliminate low levels of productivity; it can do so by generating savings in foreign currency, improving the infrastructure, and promoting new initiatives and productive capacity in the South.

Foreign dependency is holding back the entire economy, and reducing it is an objective that will help in the necessary work of modernizing Southern agriculture. Technologically advanced sectors may also expand

if special privileges are given to new investment in both industry and services in the South. As for tourism, everything is being done that can be done.

The development of the South depends first and foremost upon the industriousness of Southern society and its aptitudes for organization. The administrative and business abilities already proven in some areas can be better supported by decentralizing the means and jurisdictions of government action. But the law has entrusted to the central government the responsibility for coordinating this action, which remains essential to stimulating and sustaining productive initiatives in the weakest regions.

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CS0: 3528/77

ECONOMIC

PORTUGAL

ARMS SALES, BARTER AGREEMENT REPORTEDLY MADE WITH IRAN

Delegation for Oil Purchase

Lisbon DIARIO DE LISBOA in Portuguese 30 Jul 85 p 24

[Text] Portugal is going to purchase 500,000 tons of petroleum from Iran over the next 7 months, according to an announcement yesterday in Tehran by a representative of the Portuguese Institute of Foreign Trade (ICEP).

Pinto Guimaraes, who heads the ICEP delegation visiting Iran, also said that Portugal intends to acquire other Iranian products as well, notably cotton and minerals.

For its part, Portugal intends to export railway equipment, chemicals, and pharmaceutical products to Iran.

This ICEP mission, which is the first since the revolution in that country, has made it possible to establish contact with Iranian authorities with a view to promoting trade between the two countries.

Sale to Rescue Industry

Lisbon TAL & QUAL in Portuguese 26 Jul 85 pp 8-9

[Article by Ferreira Pinto]

[Text] Ayatollah Khomeyni, the political and religious leader of Iran, is about to become the savior of Portuguese arms factories thanks to that country's first order for war materiel. Totaling 80 million contos, it is the largest ever for our country. And while reviving its deactivated arms industry, Portugal also has the opportunity to acquire petroleum, which Iran has for giving and selling, without having to export dollars.

Once condemned to a slow death by the end of the colonial war, Portuguese arms factories are on the verge of coming back to life. The breath of life is coming to them from the land of Christ, the Middle East. This time the savior

is Khomeyni, the political and religious leader of Iran, which has ordered war materiel worth approximately \$500 million, or about 80 million contos, from our paralyzed national arms industry. While short of the arms and ammunition they need for their 3-year-old war with neighboring Iraq, the Iranians have the petroleum that Portugal needs. Is the deal closed? It very probably will be within just a few days--and the dollars will stay home.

The national arms industry is currently oversized in relation to our domestic needs. Thanks to the Iranian order, the door is open for our war industry to return to "the good old days" and justify its 16,000 direct jobs. And at the same time that it is reviving its arms production, Portugal is also playing on Iran's petroleum chessboard with the possibility of beginning to receive oil without having to export dollars (see the table [not included]). But while those are the assumptions justifying the transaction from the pragmatic point of view, there remains the question of who is who in this deal.

On the Portuguese side, the top billing or figurehead role goes to the Trafaria Explosives Company. Maj Alpoim Calvao, manager of that public-sector firm in which the Ministry of Finance holds 51 percent of the capital, told TAL & QUAL: "We sell arms for various destinations. All our contracts contain clauses on confidentiality which must be respected." The same kind of answer to justify a leaden silence was received by TAL & QUAL from the ministries involved in the transaction--Defense and Foreign Affairs--as well as from the Iranian Embassy in Lisbon. Here more than anywhere else, secrecy is the very soul of the deal.

Arms, uniforms, and above all ammunition of all kinds make up the Iranian order, which is the largest ever for our arms industry. Portugal has limited itself in recent years to producing small quantities for foreign countries, specifically Iran and Iraq, two neighbors in the Middle East who have been engaged in a lengthy war.

The monetary value of this contract with the Islamic Republic of Iran has not yet been completely determined. The deal now being finalized, with guarantees being provided by both contracting parties, covers a period of 4 years. And while the part already completed concerns deliveries with a value on the order of 80 million contos, other aspects of the deal remain open, specifically the possibility that the final value of the contract will come close to 200 million contos.

Although the Trafaria Explosives Company is the official contracting party on the Portuguese side, that firm lacks sufficient capacity on its own to fill an order of this size. The state-owned INDEP (National Defense Industry), two of the country's biggest foundries, and at least one firm in the electronics sector are also involved in supplying this war materiel, which one source close to the negotiations describes as "the deal of the year, if not of the century" in Portugal.

Incidentally, there is an obvious degree of anxiousness to conclude this contract worth millions, the fear being that any interference or lack of confidentiality may disturb the smooth progress of negotiations in the final

phase. One high official at a firm involved in the deal could not restrain himself from suggesting to this reporter that "the news be delayed until sometime around September."

The reason for this contract frenzy can be seen most clearly in the statement made to TAL & QUAL by the national director of armament, General Costa Alvares: "All exports pass through here because they require authorization by the Ministry of Defense. I cannot say which authorizations have been requested and which have been granted. Any lack of confidentiality could harm the economic activities of the firms." And the fact is that the national arms industry has already lost contracts that it thought were secure.

INDEP, for example, was preparing to sell a certain kind of ammunition at a price of \$140. But because the deal became known, arms dealers immediately contacted the purchaser and offered the same materiel for \$135. A Portuguese dealer finally landed the sale. And who manufactured the ammunition for him? No one but INDEP, which filled his order at a unit price of \$130. In short, INDEP failed to earn \$10 per unit on ammunition, while the alert and well-informed dealer pocketed \$5 for acting as middleman.

There is also the fact that in the case of the contracts now being finalized, the firms involved are already negotiating purchases on the raw materials market to stay ahead of foreseeable price increases on those materials. Doing so is one of their chief sources of profit, but it also constitutes a risk factor: if the contracts are not finalized, the firms wind up with a big stock of valuable materials for which there is no guaranteed sale.

That is also why silence is necessarily golden in the negotiations between Portuguese authorities and the Iranians. "All contracts of that type include extremely confidential material, and the Ministry of Foreign Affairs does no more than give an advisory opinion." And that is all that a spokesman for the Ministry of Foreign Affairs would tell TAL & QUAL.

The Secretariat of State for Defense, on the other hand, was more than evasive in answering the questions asked by TAL & QUAL on Monday. "The secretary of state has to go to Porto for a conference this weekend and cannot say anything right now" was the answer we got the next day from a secretary to Figueiredo Lopes, for whom the government's weekend apparently begins on Wednesday. Even simpler was the answer from the Iranian Embassy in Lisbon: "We know nothing about it."

In short, the Portuguese must not find out that arms are being exported until those arms are shipped from the port of Setubal, as happened previously and as was reported by TAL & QUAL. And isn't the Gulf War between Iran and Iraq taking place a long way from here--over there in the Middle East?

Uranium and Bombs

A rise in imports of Iranian petroleum is one foreseeable consequence of the large-scale supplying of Portuguese arms to Khomeyni's country, although for the moment, PETROGAL [Portuguese Petroleum Company] has not received any

instructions from the government on that point. "Our contracts are concerned only with dollars and petroleum--in other words, no imports are made under the barter system. Obviously, PETROGAL tries to persuade its suppliers to make purchases in Portugal, but that aspect of it is not in the contract." That is what TAL & QUAL was told by Dr. Francisco Sarsfield Cabral, spokesman for that state-owned enterprise. But in any case, this would not be the first time that a plan for mutual payment in goods was applied to PETROGAL's imports or negotiated outside the company.

In 1979, for example, Portugal wound up having to sell uranium to Iraq to ensure its petroleum supplies. At that time, about 40 percent of PETROGAL's purchases were concentrated in that Middle Eastern country. With the start of the Gulf War, Iraq's petroleum production declined. Uranium then served as the medium of exchange to ensure supplies for our country, and the deal was made "over PETROGAL's head."

It is true that today's situation is quite different: not only are PETROGAL's sources of supply quite diversified, but the situation in the world petroleum market is favorable to the buyer. Even so, Portugal will probably increase its imports of Iranian petroleum to take advantage of the barter system and especially to stop the outflow of coveted dollars, which in this area are climbing a ladder scaled in millions.

The Portuguese petroleum bill totaled about 340 million contos in 1984. Iran (like Iraq, oddly enough) contributes about 6 percent--or nearly 20 million contos worth--of our total oil imports. Portugal is also showing an interest in increasing its exports to Iran. Now in that country is a delegation from the Portuguese Institute of Foreign Trade, and one member of the delegation is a PETROGAL manager.

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ENERGY

GREECE

BRIEFS

NEW PRINOS OIL DISCOVERY--Kavala. A new deposit of excellent quality oil was discovered in the Prinos area--specifically, below the old layer--according to rumors and reports. To verify the quantity and quality of the new deposit it is necessary (according to the company which is entangled in a dispute with the government) to use the drill PENROT-1 which is docked near the Prinos oil platform. As is known, the Greek government has prohibited any new drilling by the foreign Northern Aegean Oil Company until it accepts the improvement of the agreement regarding royalties paid to the Greek state. /Text/ /Athens ETHNOS in Greek 3 Aug 85 p 9/ 7520

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ENVIRONMENTAL QUALITY

DENMARK

MUNICIPALITIES JOIN IN LARGEST WATER POLLUTION PROJECT

Copenhagen BERLINGSKE TIDENDE in Danish 19 Jul 85 p 10

[Article by Sten Tolderlund: "Battle Against Pollution"]

[Text] 23 municipalities with a combined population of 400,000 are directly affected by the most extensive environmental plan of its type ever. Roskilde Fjord and the streams and lakes now are to be cleaned up effectively once and for all. This will cost the municipalities 452 million kroner.

"Once again it will be possible to swim and fish in clean water." With this objective, the Capital Council now will attempt to recreate conditions for a natural and broad-spectrum animal and plant life in the highly-polluted Roskilde Fjord and the no-less-polluted streams and lakes in the area.

The Capital Council has presented a proposal for the largest environmental plan of its type ever proposed in Denmark--a plan which encompasses nearly half of the area of the capital region.

The plan includes a recommendation for an overall solution to pollution problems in the fjord and the fresh water areas around it. Twenty-three municipalities are directly affected. Together, they have 400,000 inhabitants who now will have the opportunity to comment on the proposal which is being sent out for hearings in the municipalities during the four months from 1 August to 1 December.

In the proposal, the Capital Council summarizes the technical solutions which could provide the desired overall water quality. This comes following environmental experts having concluded that the water quality today is inadequate in Roskilde Fjord and the majority of the lakes and streams which empty into the fjord.

While there was a rich plant life on the bottom of nearly all of the fjord during the 1940's, today there is life on the fjord bottom only out to a depth of 2-3 meters. The remainder is mud and silt. Trout, flat fish and shrimp no longer can survive.

The lakes in the 23 affected municipalities are devastated by algae. Because of increasing water consumption, the quantity of water in the lakes in some places has been cut in half. And as for the streams with plant and animal life, conditions are so bad that they nearly have acquired natural history significance.

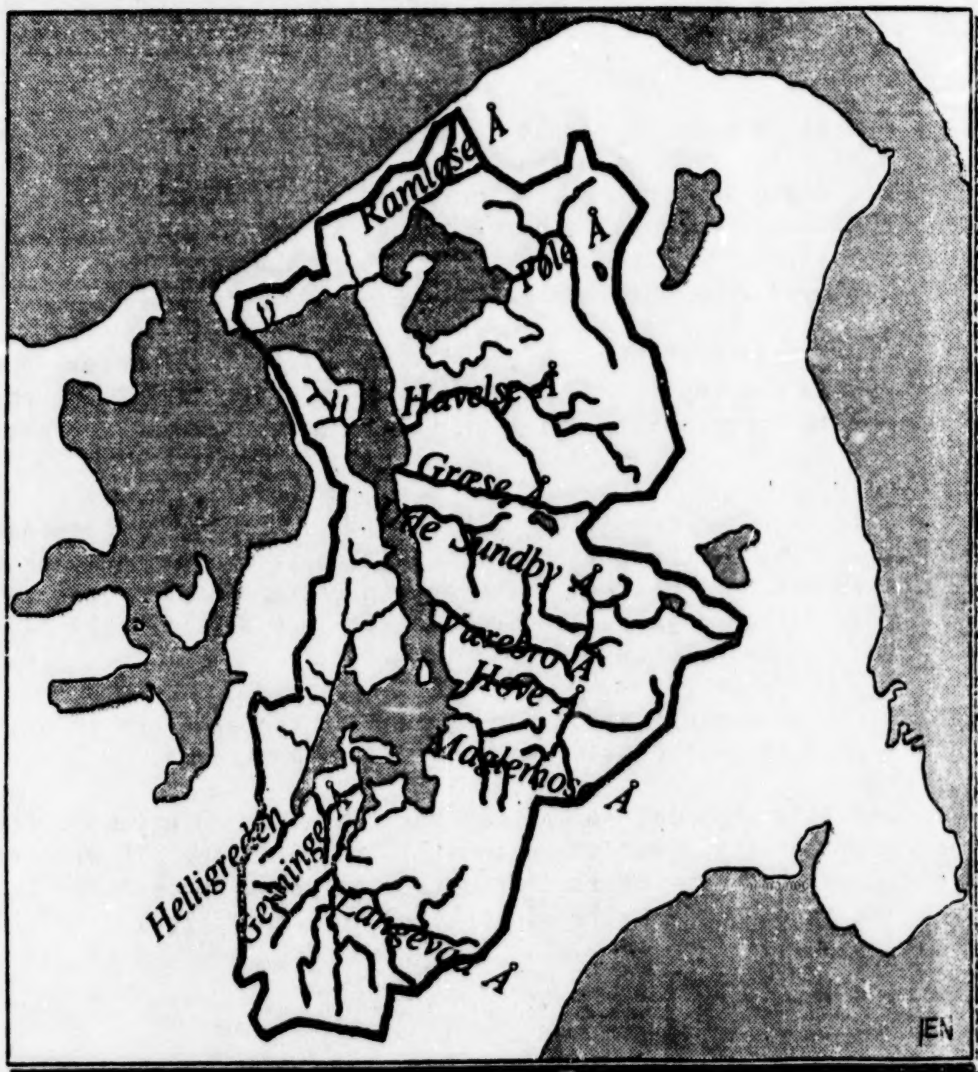
According to the environmental people with the Capital Council, wastewater from cities, agriculture and industry is the primary cause for the water pollution. The fjord and streams are severely burdened by fertilizer salts such as nitrogen and phosphorus which easily can be traced. Therefore, a large number of purification facilities must be built so that the nitrogen and phosphorus can be removed from the wastewater.

Several firms presently are the sources of the polluted wastewater--among them, Haldor Topsoe and Topsil A/S in Frederikssund--but as far as concerns these two firms, the problem essentially will be solved within the near future.

Nine lakes are in such bad condition that initially it will be necessary to reduce the goals. One of the worst affected lakes is Gundsomagle Lake, where plant life nearly has disappeared. Extensive algae growth is creating a condition of very little oxygen. Conditions also are particularly bad in Arre Lake, Burre Lake, Store Grib Lake and Sonder Lake.

On the average, three out of every four streams in the area are in such poor condition that they are not considered to be fishing streams.

The Capital Council's proposal summarizes the technical solutions which could improve the water quality. But the plan will not be cheap. It will cost 452 million kroner for the costs of facilities to implement the entire plan, and the expenses are to be paid by the 23 affected municipalities.



Roskilde Fjord and the streams and lakes in 23 municipalities are so polluted that it will cost one-half billion kroner to solve the problems.

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